TURKEY. No. 2 (1907).

CORRESPONDENCE

RESPECTING THE

INCREASE

OF THE

TURKISH CUSTOMS DUTIES.

Presented to both Houses of Parliament by Command of His Majesty.
June 1907.

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Correspondence respecting the Increase of the Turkish Customs Duties.

No. 1.

Musurus Pasha to Sir Edward Grey.—(*Received January* 10.)

Ambassade Impériale de Turquie, Londres, le 9 Janvier, 1906.

M. le Ministre,

IL résulte* des réponses données jusqu'à ce jour à la Sublime Porte par le Foreign Office que le Gouvernement de Sa Majesté Britannique n'est pas disposé à consentir à ce que les droits de douane de l'Empire soient majorés de 3 pour cent tant que le Gouvernement Impérial n'aura pas satisfait aux demandes correspondantes du Cabinet de Londres, telles qu'elles se trouvent formulées dans la note que Lord Lansdowne a adressée à l'Ambassade Impériale le 27 Février* et renouvelées dans le Mémoire du 28 Octobre, 1905.† Or, il semblerait que le Cabinet de Saint-James ne tient pas, dans les circonstances présentes, suffisamment compte des mesures prises par le Gouvernement Impérial en vue de donner satisfaction aux susdites demandes et qu'il méconnaît le changement essentiel que cette question a subi du fait des arrangements intervenus en ce qui concerne l'administration financière des trois vilayets de la Turquie d'Europe.

Ainsi, l'arrangement conclu avec la Banque Impériale Ottomane pour le service financier de ces provinces et l'institution, d'accord avec les Grandes Puissances, d'une Commission chargée d'en assurer le bon fonctionnement, dispensent le Gouvernement Impérial de répondre de nouveau aux déclarations que la note de Lord Lansdowne contenait relativement à la fixation du budget de ces provinces et à la nécessité d'en garantir la mise en pratique exacte. Il est également inutile de faire remarquer que l'obligation du Gouvernement Impérial de parfaire le déficit de ce service le met plus que jamais dans la nécessité de réclamer la majoration proposée.

Il est donc permis d'omettre de l'analyse ci-dessous les considérations générales contenues dans la note du 27 Février dernier pour arriver à l'examen des points y spécifiés, qui, n'ayant pas de connexité avec les décisions intervenues sur le service financier des trois vilayets, peuvent, aux yeux du Foreign Office, avoir gardé une importance d'actualité.

Ces points se résument dans les quatre catégories suivantes :—

1. Analyses chimiques ;
2. État des douanes ;
3. Taxes des phares ;
4. Taxes sanitaires.

Il y a aussi lieu d'y ajouter la question de la modification du Règlement sur les mines, question qui a été mentionnée à différentes reprises par l'Ambassade de Sa Majesté le Roi comme ayant une connexité intime avec l'attitude de son Gouvernement en matière douanière et comme devant avoir une influence décisive pour rendre cette attitude favorable aux intérêts du Fisc Ottoman.

1. Le Règlement sur les analyses en douane ayant donné lieu à des difficultés dans son exécution et motivé les plaintes du monde commercial, le Gouvernement Impérial avait chargé, au commencement de l'année courante, une Commission *ad hoc* du soin d'en étudier tous les détails et d'y apporter les changements jugés nécessaires. La Commission, en prenant aussi en considération les désirs exprimés par les Missions étrangères et les vœux des Chambres de Commerce, a soumis le résultat de ses études à l'approbation de la Sublime Porte. Le Règlement revisé a été sanctionné par

* "See Turkey No. 3 (1905)," No. 39.

† See "Turkey No. 1 (1906)," No. 103.

Iradé Impérial et se trouve mis en application depuis plusieurs mois. Il donne en tout point satisfaction aux nécessités du commerce international et il y a été tout particulièrement tenu compte des désiderata du commerce Britannique. Le Foreign Office n'a donc pas lieu de comprendre dans la liste de ses demandes la question des analyses en douane, qui se trouve être si avantageusement terminée et qui n'est plus une affaire courante pouvant arrêter son attention.

2. Les griefs formulés sur l'état de certaines douanes Ottomanes et relatifs surtout à l'exiguïté de leurs emplacements. En ce qui concerne Constantinople, l'entente intervenue avec la Société des Quais assure, dans un avenir très proche, la construction des nouveaux bâtiments douaniers qui sont conçus de façon à assurer au commerce tout le confort désirable et les facilités des opérations. La Direction Générale des Contributions Indirectes a aussi étudié les agrandissements reconnus nécessaires dans d'autres localités de l'Empire et s'est occupée des détails d'une réorganisation et d'une grande simplification du service douanier. Il est pourtant à remarquer que la plupart des mesures étudiées et arrêtées nécessitent une augmentation notable des frais administratifs. On ne peut y faire face qu'en assurant une augmentation correspondante du revenu douanier, ce qui nécessite une majoration de la taxe. Le Cabinet de Saint-James peut être persuadé que le Gouvernement Impérial ne manquera pas de terminer en très peu de temps ce qui reste à faire à ce sujet aussitôt qu'il sera à même de disposer des revenus supplémentaires que la majoration demandée a pour but de créer.

3. La question des phares paraît au Gouvernement Impérial devoir être en dehors de toute question présente. Ces taxes sont perçues en vertu d'une entente spéciale avec le Gouvernement Britannique et un certain nombre d'années doit s'écouler jusqu'à la fin de la Concession. Toute discussion à ce sujet est inutile et inopportune pendant la durée de l'entente établie.

4. Le taux des taxes sanitaires et quarantenaires est fixé par la Commission Mixte de la Revision des Tarifs Sanitaires et établi par un accord spécial de la Sublime Porte et des Missions étrangères ayant des représentants au sein du Conseil Supérieur de Santé. Les taxes actuelles reposent sur cet accord, et la Commission Mixte se réunit actuellement pour étudier entre autres questions celle d'un allégement possible des dites taxes. Le point paraît donc à la Sublime Porte tout à fait indépendant de celui de la majoration des droits de douane.

5. Enfin, en ce qui concerne le Règlement sur les mines, le Gouvernement Impérial s'emploie à étudier la revision du dit Règlement de façon à tranquilliser tous les intérêts économiques en cause.

Je n'ai pas besoin de faire remarquer qu'il s'agit là d'une matière essentiellement de législation autonome foncière et que c'est par pur esprit de condescendance et de conciliation que la Sublime Porte cherche à réaliser les modifications qui, sans nuire à ses intérêts, seraient de nature à satisfaire les désirs de ceux qui voudraient se livrer à des entreprises minières.

Telles sont, en résumé, les considérations qui ont été suggérées à la Sublime Porte par une nouvelle lecture de la note de Lord Lansdowne. Elle ne doute pas que le Gouvernement Britannique, en étudiant de nouveau ses propres demandes à la lumière de ces explications et en tenant compte des étapes déjà franchies dans la voie de leur réalisation, ne veuille fournir au Gouvernement Impérial une nouvelle preuve de ses sentiments d'amitié en envoyant à son Ambassade à Constantinople les instructions nécessaires pour l'inviter à donner son consentement à la majoration de 3 pour cent. Actuellement, toutes les autres Puissances se trouvent à ce sujet en parfait accord avec la Sublime Porte, et elle espère qu'une mesure, ne pouvant en aucune façon nuire aux intérêts commerciaux en jeu et indiscutablement indispensable pour le bon fonctionnement du service financier des trois vilayets, ne sera pas arrêtée par une opposition qui ne lui paraît pas justifiée.

J'ai, &c.

(Signé) ET. MUSURUS.

(Translation.)

Imperial Turkish Embassy, London,
January 9, 1906.

M. le Ministre,

FROM the replies hitherto returned to the Sublime Porte by the Foreign Office, it appears that His Majesty's Government are not disposed to agree to the 3 per cent. increase of the Imperial customs duties, until the Imperial Government shall have satisfied the corresponding demands of the Cabinet of London, as formulated in the

note addressed by Lord Lansdowne to the Imperial Embassy on the 27th February, and renewed in the Memorandum of the 28th October, 1905. But it would seem that the Cabinet of St. James do not, in this matter, properly appreciate the measures taken by the Imperial Government to satisfy the aforesaid demands, and that they do not realize the essential change which has taken place in this question as a result of the new arrangements in regard to the financial administration of the three vilayets of Turkey in Europe.

Thus, the arrangement come to with the Imperial Ottoman Bank for the financial services of these provinces, and the appointment, in agreement with the Great Powers, of a Commission whose duty it is to assure its proper working, relieve the Imperial Government of the necessity of again replying to the declarations contained in Lord Lansdowne's note relative to the drawing up of the Budget for those provinces, and to the necessity of guaranteeing that it is properly applied. It is also unnecessary to point out that the undertaking of the Imperial Government to make good the deficit in this service makes the proposed increase more urgently needed than ever.

It is therefore permissible to omit from the analysis mentioned below the general considerations contained in the note of the 27th February last, in order to arrive at the examination of the points therein specified, which, having no connection with the decisions since arrived at about the financial service of the three vilayets, may, in the opinion of the Foreign Office, still be considered important.

These points can be summed up under the following four categories :—

1. Chemical analysis;
2. State of the customs;
3. Lighthouse dues;
4. Sanitary dues.

The question of the modification of the "Règlement" respecting mines may be added to the above list, a question which has been referred to at different times by the Embassy of His Majesty the King as being intimately connected with the attitude of his Government in the matter of customs, and as likely to exercise a decisive influence in rendering this attitude favourable to the interests of the Ottoman Treasury.

1. The "Règlement" respecting customs analysis having given rise to certain difficulties in practice, and having caused dissatisfaction in the commercial world, the Imperial Government had, at the beginning of the current year, intrusted a Commission *ad hoc* charged with examining all the details of the "Règlement," and of making in it such changes as it considered necessary. The Commission, taking also into consideration the desires of the foreign Missions and the wishes of the Chambers of Commerce, submitted the result of its investigations for the approval of the Sublime Porte. The revised "Règlement" has been sanctioned by Imperial Iradé, and has been in force for some months. It gives satisfaction in every way to the needs of international commerce, and particular attention has been paid to the desiderata of British trade. The Foreign Office have no reason, therefore, to include in the list of their demands the question of customs analysis, which has been settled in such a satisfactory manner, and which is no longer a current matter worthy of attention.

2. Complaints made about the state of certain Ottoman customs, and especially the want of accommodation in them. With regard to Constantinople, the understanding since arrived at with the "Société des Quais" assures, at a very early date, the construction of new customs buildings, planned so as to assure every possible convenience and facility for commercial operations. The "Direction Générale des Contributions Indirectes" has also examined the increased accommodation recognized as necessary in other places in the Empire, and has occupied itself with the details of a reorganization and of a great simplification of the Customs service. It is, however, to be noted that the majority of the measures which have been studied and decided upon involve a notable increase in the administrative expenditure. They can only be met by obtaining a corresponding increase of the customs revenue, and this necessitates an increase of the duties. The Cabinet of St. James may rest assured that the Imperial Government will not fail to conclude shortly what remains to be done in this matter as soon as they are in a position to dispose of the additional revenues which it is the object of the increase asked for to create.

3. The question of lighthouses appears to the Imperial Government to be outside the questions now at issue. Such dues are collected by virtue of a special understanding with the British Government, and there are still some years before the Concession lapses. All discussion on this subject is useless and inopportune while this understanding is in force.

4. The rate of sanitary quarantine dues is fixed by the Mixed Commission of the Sanitary Tariffs Revision, and established by a special Agreement between the Sublime Porte and the foreign Missions having representatives on the "Conseil Supérieur de Santé." The existing dues are based on this Agreement, and the Mixed Commission is now assembled in order to study among other questions that of a possible alleviation of the said dues. The point, therefore, appears to the Sublime Porte quite apart from that of the increase of the customs duties.

5. Lastly, with regard to the "Règlement" respecting mines, the Imperial Government is employed in studying the revision of the said "Règlement" in such a manner as to satisfy all the economic interests at issue.

It is unnecessary to remark that the matter is essentially one which concerns property legislation in Turkey, and that it is purely in a spirit of condescension and of conciliation that the Sublime Porte is endeavouring to effect the modifications which, without being detrimental to its interests, would be calculated to satisfy the desires of those who are anxious to participate in mining enterprises.

Such are, in brief, the considerations which have been suggested to the Sublime Porte by a fresh perusal of Lord Lansdowne's note. It does not doubt that the British Government, in studying afresh their own demands in the light of these explanations, and in taking into account the stages already passed in the path towards their realization, will wish to furnish the Imperial Government with a fresh proof of their friendly sentiments by sending to its Embassy at Constantinople the necessary instructions authorizing it to give its consent to the 3 per cent. increase. All the other Powers are, in fact, in perfect agreement with the Sublime Porte on this subject, and it trusts that a measure, which cannot in any manner injure the commercial interests at stake, and which is clearly indispensable to the smooth working of the financial service of the three vilayets, will not be stopped by an opposition which does not appear to it to be justified.

I have, &c.
(Signed) ET. MUSURUS.

No. 2.

Sir N. O'Conor to Sir Edward Grey.—(*Received January* 12.)

(Extract.) *Constantinople, January* 8, 1906.

I HAVE the honour to report that the Ottoman authorities have, during the past three weeks, been again actively occupying themselves with the proposed amendments of the Mining Law, which they appear anxious to carry through with a view to removing one of the obstacles to the acceptance by His Britannic Majesty's Government of the 3 per cent. increase in the import duties.

Having learnt that the Sultan had appointed a special Commission under the presidency of his Highness Abdur Rahman Pasha, the Minister of Justice, to study the whole question afresh, I thought it advisable to present to the Porte some further amendments which have been suggested as desirable on a closer study of the law by experts.

The special Commission above alluded to completed its deliberations on the 30th ultimo, and I am informed that it recommended the acceptance of practically all the modifications proposed by His Majesty's Embassy; but the Minister of Mines and Forests, who was himself a member of the Commission, persuaded it to insert a reservation to the effect that on any "permis de recherche" issued by the provincial authorities being notified to the Ministry of Mines, the latter should satisfy itself by examination that all the provisions of the law had been complied with, and, if not satisfied on this point, should notify its objections to the Porte. Failing such objection on the part of the Ministry within a period of three months from the date of its issue, the permit should become definitive. He endeavoured to introduce a further clause by which, in case of any difference of opinion between his Ministry and the Porte, the matter should be referred to the Palace for decision, but in this he has been so far overruled.

It is, of course, not possible to refuse to the Ministry of Mines a certain measure of control, and, so long as this is strictly limited to watching that the provisions of the law itself are complied with, I do not think that we can fairly object to it; but I have caused it to be represented to the Grand Vizier that any reservation tending to enable the Ministry of Mines to exercise that power of obstruction which the present

Minister has so persistently abused in the past would render all amendment of the Regulations nugatory, and would accordingly be quite inacceptable.

The matter was before the Council of Ministers on the 31st ultimo, and again yesterday, and there is every probability that in the course of the next few days the result of their labours will be communicated to us.

No. 3.

Sir Edward Grey to Sir N. O'Conor.

Sir, *Foreign Office, January* 18, 1906.

THE Turkish Ambassador made a communication to-day to the following effect:—

As the modifications of the Mining Regulations had now been promulgated by Imperial Iradé, and His Majesty's Embassy had been duly notified of this fact, his Excellency had come, under instructions from his Government, to renew the request that His Majesty's Government would no longer withhold their sanction from the increase of the Turkish customs, an increase which, as I was aware, was to come into force on the 1st March.

As the Ottoman Government had complied with the demands which had been presented to them, they were convinced that His Majesty's Government would no longer refuse to consent to the increase in question, which, as his Excellency had already explained, was urgently required.

I am, &c.
(Signed) EDWARD GREY.

No. 4.

Sir N. O'Conor to Sir Edward Grey.—(Received January 29.)

Sir, *Constantinople, January* 23, 1906.

I HAVE the honour to transmit herewith copy of a *note verbale* which I addressed to the Sublime Porte on the 18th instant. informing the Ottoman Government of our requirements in the matters of reform of Customs Administration and of the provision of more extensive warehousing accommodation in the custom-houses of Galata, Stamboul, Smyrna, Salonica, Beyrout, Jaffa, Alexandretta, Mersina, and Bussorah.

The Grand Vizier assured me yesterday that this Memorandum was being submitted to careful examination, and that he hoped to be able to comply with most of my demands immediately and to undertake to put the others into execution at an early date.

His Highness followed up his remarks by an earnest appeal for the acquiescence of His Majesty's Government in the proposed customs increase, alleging that the success of the reforms in Macedonia practically depended upon the Government having sufficient funds to go on with the work; that without this additional source of revenue they could not bear the heavy burden thrown upon the State Treasury; that all the other Powers were willing to agree, and that His Majesty's Government was the only one that still raised serious difficulties.

I replied that, besides the Chemical Analysis and the Customs improvements, the promulgation of a workable and acceptable mining law was an essential condition of our consent, and I regretted to say that the impression I had derived from a hurried study of the new mining law did not seem to enable me to report to you that it answered our expectations or complied with our essential requirements. I would, however, be able to speak more confidently on this subject in a few days.

I shall address you again on this subject at an early date.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 4.

Note Verbale communicated by Sir N. O'Conor to the Ottoman Government.

THE Ministry for Foreign Affairs is aware that amongst the measures whose adoption by the Imperial Ottoman Government was stipulated for in the Memorandum transmitted by His Britannic Majesty's Principal Secretary of State to Musurus Pasha on the 27th February last,* as a condition precedent to the assent of His Majesty's Government to the proposed increase of the duties leviable on goods imported into the Ottoman dominions from 8 to 11 per cent., which the Porte had represented as necessary to insure the application of the financial and other reforms in Macedonia, was the removal of existing defects and abuses in the Customs Administration of the Empire.

There can, in the opinion of His Majesty's Embassy, be no doubt that, before giving its assent to the proposed increase in the customs duties, His Britannic Majesty's Government will require to be satisfied that the Porte has actually effected, or given positive assurances of its intention to effect, the removal of these abuses and to institute the reforms to the necessity of which its attention has repeatedly been called by this Embassy, more particularly in its notes of the 15th March, 27th May, 25th November, 1904, and the 29th April, 1905, and its " mukthiré " of the 27th May, 1905.

With a view to facilitating and accelerating a satisfactory solution of these important questions, His Britannic Majesty's Embassy ventures to submit once more, in the inclosed Memorandum, a succinct statement of those measures, the introduction of which appears most essential in the interest both of the Imperial Treasury and of international commerce, and would be glad to receive from the Sublime Porte such assurances as would enable them to report, without undue loss of time, to His Majesty's Government that the conditions specified in Lord Lansdowne's Memorandum in respect to these points will be fulfilled.

His Majesty's Embassy will be ready at any time to discuss with the competent Departments the details of these and other reforms which it would be in the interests of foreign commerce to introduce, as well as to furnish any further explanations or particulars that may be desired in regard to them.

Constantinople, January 18, 1906.

Inclosure 2 in No. 4.

Memorandum communicated by Sir N. O'Conor to the Ottoman Government.

LES quelques points importants auxquels l'Ambassade de Sa Majesté voudrait bien attirer l'attention toute particulière de la Sublime Porte en ce qui concerne les services de la Douane sont les suivants :—

1. En premier lieu, il faut signaler l'insuffisance des locaux pour l'emmagasinage des marchandises dans les Douanes de Galata, Stamboul, Smyrne, Salonique, Beyrout, Jaffa, Alexandrette, Mersine, et Bassorah, ainsi que la nécessité d'y apporter un remède immédiat, en louant des endroits convenables et spacieux pouvant répondre d'une manière satisfaisante aux nécessités du commerce, en attendant l'agrandissement des locaux actuels et la construction de nouvelles bâtisses. D'après les renseignements obtenus par l'Ambassade de Sa Majesté, il résulte que c'est la Société des Quais de Constantinople qui, par suite d'un accord conclu avec le Gouvernement Impérial, s'était chargée de la construction des nouveaux locaux et entrepôts des Douanes à Galata et Stamboul.

Toutefois, comme ces travaux n'ont pas été même encore commencés, il va sans dire qu'un remède immédiat s'impose, car il faudra attendre un temps considérable avant de les voir achevés et inaugurés pour les services Douaniers.

En ce qui concerne les locaux de Smyrne, les indications fournies dans un Rapport détaillé du Consul-Général d'Angleterre suffisent pour démontrer la situation fâcheuse dans laquelle s'opèrent les services Douaniers de ce port important.

Il est inutile de mentionner ici en détail les divers besoins des Douanes des autres

* See " Turkey No. 3 (1905)," No. 39.

ports. Il suffit de dire que tous réclament de nouveaux et spacieux magasins et hangars.

2. Le personnel des Douanes dans les ports précités, surtout les cadres d'Estimateurs, Araidjis, Mouhasibs, &c., sont tout à fait insuffisants, et il importe qu'après une enquête approfondie de la situation de chaque Douane, le nombre de ces employés soit augmenté, suivant les besoins du service et les circonstances.

3. La question des "hamals" employés dans les Douanes a été traitée en détail dans un second Rapport du Consul-Général d'Angleterre à Smyrne.

Les procédés vexatoires et les abus auxquels le commerce est assujetti de la part des portefaix Douaniers dans tous les ports, y compris Constantinople, sont, en général, de la même nature que ceux mentionnés dans le Rapport de Smyrne. Dès lors, il serait superflu de spécifier les griefs du commerce à ce sujet dans tous les autres ports. Il suffit de dire que, laissés sans contrôle, et sûrs de l'impunité, ces portefaix ne portent aucun soin dans la manipulation des marchandises, et obligent les commerçants à se soumettre à leurs exigences et leur façon de procéder. L'augmentation du nombre de "hamals," ainsi que l'application de mesures radicales, tendant à mettre de l'ordre et de la discipline dans cette branche du service Douanier, s'imposent de plus en plus.

4. Bien que l'horaire officiel qui fixe l'ouverture et la fermeture des Douanes soit établi par le Règlement, on peut affirmer que les dispositions de ce Règlement, en ce qui concerne les heures de travail, ne sont pas observées. En effet, pendant l'hiver, les heures où s'effectuent les opérations sont très souvent réduites à trois, ou tout au plus, à quatre heures par jour.

5. *Perception raisonnable et légale de l'Ardie.*—Le droit d'Ardie a été créé dans le but de forcer les commerçants de retirer leurs marchandises de la Douane, et d'éviter ainsi l'encombrement dans les dépôts Douaniers. Néanmoins, ce droit est exigé dans plusieurs Douanes, notamment dans celles de Galata et de Smyrne, pour les marchandises qui ne peuvent pas être retirées à temps, par leurs propriétaires, par suite des retards apportés par l'Administration Douanière elle-même, et dont elle est seule responsable.

Il est indispensable que le Règlement concernant la perception du droit d'Ardie soit appliqué raisonnablement, et les négociants devraient être garantis contre son application abusive. Il serait utile de considérer les moyens propres à assurer à toute marchandise entrée dans les dépôts Douaniers la visite Douanière dans un laps de temps fixé, et de ne percevoir la taxe d'Ardie que sur les marchandises visitées qui n'auront pas été retirées de ces dépôts dans le délai réglementaire.

6. Le service de la visite Douanière laisse beaucoup à désirer, et il importe que les fonctionnaires chargés de ce travail se guident par les instructions contenues dans les diverses circulaires adressées par l'Administration Générale de Contributions Indirectes aux Douanes de l'Empire.

7. Quoiqu'une grande partie des marchandises importées paient les droits de douane, calculés sur leur nombre ou leur mesure, les Douanes pèsent la plupart des marchandises, dont le poids est inutile à l'évaluation des susdits droits, et une taxe de pesage est perçue. Ce pesage, qui est effectué dans le seul intérêt de la Douane, doit être fait à titre gratuit.

8. Les droits de douane sur les échantillons sans valeur que les commis voyageurs apportent avec eux sont perçus à titre de dépôt. Chaque déplacement d'un commis voyageur d'un point de l'Empire à un autre entraîne des frais élevés et de nouvelles formalités. Lorsque ce voyageur quitte définitivement le pays, les droits perçus en dépôt doivent, selon le Règlement, lui être restitués, si son séjour dans l'Empire n'a pas atteint les six mois.

Toutefois, le remboursement de ces dépôts est entouré d'une masse de formalités, de difficultés, et de retards tels que, dans la plupart des cas, les voyageurs renoncent, forcément, à réclamer la restitution des sommes déposées.

Il faudrait simplifier les formalités, et exempter de tout droit de douane les cartes d'échantillons, les échantillons détachés de la pièce, ou les échantillons et modèles représentant la marchandise, en tant qu'ils n'ont aucune valeur.

En ce qui concerne les échantillons de valeur apportés par ces mêmes voyageurs, abstraction faite du paiement en dépôt des droits d'importation qui ne saurait nullement être contesté, il faudrait accorder des facilités pour la restitution immédiate et sans aucune difficulté de ces droits lors de l'exportation de ces échantillons.

(Translation.)

THE Embassy wish to call the special attention of the Sublime Porte to the following important points with regard to the Customs services:

1. In the first place, the inadequate warehousing accommodation at the Customs of Galata, Stamboul, Smyrna, Salonica, Beyrout, Jaffa, Alexandretta, Mersina, and Bussorah must be noted, as well as the necessity for their immediate improvement, by renting suitable and spacious quarters adapted to the requirements of trade, until the existing customs-houses have been enlarged or new buildings erected. According to information obtained by His Majesty's Embassy, it appears that the "Société des Quais de Constantinople" has, by an Agreement concluded with the Imperial Government, been intrusted with the construction of new customs-houses and warehouses at Galata and Stamboul.

As, however, these works have not even been commenced, it goes without saying that an immediate improvement is urgent, seeing that a considerable time must elapse before they can be completed and inaugurated for the Customs services.

With regard to the Customs at Smyrna, the data supplied in a detailed Report from the British Consul-General, of which a copy was sent to his Excellency Hassan Fehmi Pasha on the 13th (27th) May, 1905, suffice to show the miserable condition in which the Customs services are conducted at this important port.

It is useless to mention here in detail the various requirements of the Customs at the other ports. It suffices to say that all require new and spacious warehouses and sheds.

2. The personnel of the Customs in the above-mentioned ports, especially the staff of appraisers, araidjis, mouhasibs, &c., are quite insufficient, and it is desirable that, after an exhaustive inquiry into the position of each custom-house, the number of these employés should be increased, according to the requirements of the service, and circumstances.

3. The question of the "hamals" (or porters) employed at the Customs has been dealt with in detail in a second Report from the British Consul-General at Smyrna.

The vexatious treatment and the abuses to which trade is subjected on the part of the Customs' porters at all the ports, including Constantinople, are, generally, similar to those mentioned in the Smyrna Report. It would, therefore, be superfluous to specify the complaints of traders in this respect at all the other ports. It is sufficient to say that, under no control and immune from punishment, these porters handle goods without taking the smallest care, and compel traders to submit to their unreasonable demands and their manner of treating goods. The increase of the number of "hamals," as well as the application of radical measures calculated to bring order and discipline into this branch of the Customs service, is becoming more and more imperative.

4. Although the official horary which fixes the opening and closing of the Customs is established by the "Règlement," it must be admitted that the provisions of this "Règlement," as far as the hours of work are concerned, are not observed. Indeed, in winter the hours when work can be done are very often limited to three, or at most to four, hours a day.

5. Reasonable and lawful collection of the "Ardié." The Ardié (or storage) due was instituted with a view to compelling merchants to withdraw their goods from the Customs, and to avoid in this manner congestion in the Customs' depôts. Nevertheless, this due is enforced at several Customs, notably at those of Galata and Smyrna, in the case of goods which cannot be withdrawn in time by their owners, in consequence of the delays caused by the Customs Administration itself, for which that Administration alone is responsible.

It is indispensable that the "Règlement" dealing with the collection of the Ardié due should be applied in a reasonable manner, and merchants ought to be protected against any abuse caused by its application. It would be useful to consider the best way of assuring inspection by the Customs officials in a given time of all goods entered in the Customs' depôts, and only to collect the Ardié due on goods which have been inspected, and which have not been withdrawn from these depôts in the time allowed.

6. The service of the Customs inspection leaves much to be desired, and it would be well that the officials intrusted with this work should act on the instructions contained in the various circulars addressed by the "Administration Générale de Contributions Indirectes" to the Imperial Customs.

7. Although the greater portion of the goods imported pay duties, fixed according to their number or measure, the Customs weigh most of the goods, the weight of which is useless for the purpose of appraising the said duties, and a weighing tax is levied. This weighing, which is done solely in the interest of the Customs, ought to be free of charge.

8. The customs duties on valueless samples which commercial travellers carry with them are levied in the shape of a deposit. Each journey made by a commercial traveller from one part of the Empire to another involves great expense and fresh formalities. When he finally leaves the country, the duties levied and placed in deposit ought, according to the "Règlement," to be refunded, if his stay in the Empire has not exceeded six months.

The refunding of such deposits is, however, hedged in by such a mass of formalities, difficulties, and delays that for the most part travellers are compelled to forego their claim to the refund of the money deposited by them.

The formalities ought to be simplified, and the lists of samples—samples cut from the piece, or samples and models of the goods, so long as they are valueless, exempted from paying customs duties.

As regards samples of value carried by these travellers, apart from the payment in deposit of the import duties which cannot be contested, facilities ought to be accorded for the prompt and easy refunding of these duties as soon as the samples are exported.

No. 5.

Sir Edward Grey to Sir F. Bertie.

Sir, *Foreign Office, January* 31, 1906.

THE French Ambassador left with me to-day a Memorandum, of which a copy is inclosed, on the subject of the proposed increase in the Turkish customs duties.

I told his Excellency that I had written a despatch to Sir N. O'Conor stating the conditions on which His Majesty's Government were prepared to agree to the proposed increase, and that I would send him a copy of this despatch.

I am, &c.
(Signed) EDWARD GREY.

Inclosure in No. 5.

Memorandum.

LORSQU'AUX mois de Février et de Mars de l'année dernière il fut question de la majoration des droits de douane dans l'Empire Ottoman, les diverses Puissances indiquèrent à la Porte qu'elles n'accepteraient la surtaxe proposée qu'à la double condition de voir le fonctionnement régulier des finances Macédoniennes assuré par l'institution d'une Commission Internationale et d'obtenir la promulgation d'un Règlement Douanier nouveau qui donnât satisfaction aux réclamations du commerce étranger.

Plus tard, le Gouvernement Britannique a posé une troisième condition en demandant en outre une revision de la Loi des Mines ; le Gouvernement Français s'est joint à lui pour obtenir cette satisfaction.

Les diverses conditions ainsi posées à la Porte paraissent aujourd'hui toutes remplies, car il est probable que les Puissances se mettront d'accord avec le Gouvernement Ottoman sur le nouveau Règlement des Mines qu'il vient de leur soumettre. La Porte paraît donc pouvoir légitimement supposer que les Puissances accepteront la mise en application de la surtaxe de 3 pour cent.

D'après les informations reçues par le Gouvernement Français, les Ambassadeurs de Russie, d'Allemagne, d'Autriche et d'Italie auraient déjà donné leur adhésion pure et simple aux propositions Ottomanes. L'Ambassadeur d'Angleterre n'a pas encore fait connaître l'opinion de son Gouvernement ; il a indiqué à l'Ambassadeur de France qu'il inclinerait à demander que la surtaxe fût limitée à un temps déterminé et que son produit fût réservé à la Macédoine ; mais il a ajouté qu'il ne formulerait ces desiderata que s'il était assuré du concours du Représentant Français.

Le Gouvernement de la République, considérant que la Porte a accompli les

conditions qui lui étaient imposées, serait disposé à donner son adhésion à l'application de la surtaxe. Toutefois, il considère que le régime commercial actuellement appliqué aux produits Français à leur importation en Turquie ne peut être modifié que par un Acte diplomatique qui devra être soumis au Parlement Français. Il estime que cette Convention, en stipulant la surtaxe, devra reproduire les trois conditions dont celle-ci est la contrepartie ; on ne saurait admettre que le Sultan, en échange d'un sacrifice aussi important, se contentât de prendre des décisions unilatérales qu'il pourrait ensuite modifier à sa guise.

Il y aurait donc lieu, dans l'opinion du Gouvernement Français, (1) d'insérer dans la Convention à conclure les clauses relatives aux douanes et aux mines; (2) d'y préciser l'affectation de la surtaxe au Budget de la Macédoine ; le moyen le plus simple paraît être de stipuler qu'une somme forfaitaire, égale, par exemple, au chiffre moyen qu'aurait produit une surtaxe de 3 pour cent pendant les trois dernières années, sera versée chaque trimestre par l'Administration des Douanes à la Commission Financière de Macédoine. Cette affectation est la raison d'être de tout le projet, et l'on ne saurait prendre trop de précautions pour que le Sultan ne détournât pas sur un autre objet les revenus supplémentaires qui lui sont concédés pour assurer la réorganisation de l'administration en Macédoine ; (3) de dire que la surtaxe continuera à être perçue tant que la Commission Financière restera en vigueur ; il dépendra ainsi du Sultan de s'assurer la perpétuité de cet avantage, mais il semble évident qu'on ne peut lui laisser la faculté de détruire au bout de deux ans la réforme financière en Macédoine, tout en continuant à jouir de la surtaxe.

Ces vues concordent avec la réponse qui a été adressée par Lord Lansdowne le 27 Février, 1905, à l'Ambassadeur de Turquie. Le Gouvernement Français désirerait savoir si elles répondent encore aujourd'hui à l'opinion du Gouvernement Britannique et s'il serait disposé à donner pour instructions à son Ambassadeur à Constantinople de s'entendre avec l'Ambassadeur de France pour arrêter avec lui le texte commun d'un projet de Convention à soumettre à la Porte.

Albert Gate, le 31 *Janvier,* 1906.

(Translation.)

WHEN in February and March last year the question of the increase of the customs duties of the Ottoman Empire was raised, the various Powers informed the Porte that they would only accept the surtax proposed on condition that the regular working of the Macedonian financial system was assured by the creation of an International Commission, and that a new Customs Regulation was issued which would satisfy the requirements of foreign trade.

Later on, the British Government laid down a third condition, by demanding in addition, the revision of the Mining Law ; the French Government co-operated with them in endeavouring to obtain this desideratum.

The various conditions thus submitted to the Porte now appear to have been fulfilled, for it is probable that the Powers will find themselves in agreement with the Ottoman Government with regard to the new Mining Regulation which it has just submitted to them. The Porte seems, therefore, justified in supposing that the Powers will accept the 3 per cent. increase.

From information received by the French Government, it appears that the Ambassadors of Russia, Germany, Austria, and Italy have already given their adhesion, without any reservations, to the Ottoman proposals. The British Ambassador has not yet made known the opinion of his Government ; he has given the French Ambassador to understand that he would be inclined to stipulate that the surtax should be limited to a specified period, and that the revenue produced by it should be applied exclusively to Macedonia ; but he added that he would only make this stipulation if he could count on the support of the French Representative.

The Government of the Republic consider that the Porte has fulfilled the conditions imposed on it, and they are therefore inclined to give their adhesion to the application of the surtax. They are, however, of opinion that the commercial régime now applied to French imports into Turkey can only be modified by a Diplomatic Act which must be submitted to the French Parliament. They think that this Convention, in agreeing to the surtax, ought to recapitulate the three conditions, on the fulfilment of which it depends ; it was inadmissible that the Sultan, in return for so great a sacrifice, should merely make a one-sided arrangement which he would be in a position to modify at his pleasure.

The French Government were therefore of opinion that (1) the clauses respecting

the customs and the mines should be inserted in the Convention about to be concluded, and (2) that the manner in which the surtax is to be devoted to the Macedonian Budget should be defined. The simplest way of doing this appears to be to stipulate that a lump sum, equal, for instance, to the average amount produced by a 3 per cent. surtax for the last three years, should be paid quarterly by the Customs Administration to the Financial Commission for Macedonia. This allocation is the *raison d'être* of the whole scheme, and too much care cannot be taken to prevent the Sultan from employing for other purposes the increased revenue given to him in order to assure the reorganization of the Macedonian Administration; (3) it should be affirmed that the surtax should continue to be collected as long as the Financial Commission remained in force. It will thus depend on the Sultan whether this advantage is to have a permanent character, but it is clear that he cannot be left the power to nullify at the end of two years the financial reforms in Macedonia and at the same time continue to utilize the surtax.

These views are in accordance with the reply addressed by Lord Lansdowne on the 27th February, 1905, to the Turkish Ambassador. The French Government would be glad to know if they are still held by the British Government, and whether the latter would be inclined to instruct their Ambassador at Constantinople to consult with the French Ambassador with a view to drawing up with him the common text of a draft Convention to be submitted to the Porte.

Albert Gate, January 31, 1906.

No. 6.

Sir Edward Grey to Musurus Pasha.

Your Excellency, *Foreign Office, January* 31, 1906.

I HAVE the honour to acknowledge the receipt of your note of the 9th instant, in which you urge that His Majesty's Government should give their consent to an increase of 3 per cent. in the Turkish customs duties.

His Majesty's Government are unable to admit that the conditions necessary to secure their assent to this measure are yet established, either as regards a complete examination of the financial situation and requirements of the three Macedonian vilayets, or as to the means of insuring the proper application of the increased revenues to the objects in view connected with the finances of those vilayets or, finally, as to the various measures of relief which are so much needed for the development of foreign commerce in the Ottoman dominions.

They recognize, however, that some progress has been made in both respects, and they are ready to confer with the other Powers interested as to the terms upon which the proposed increase might legitimately be agreed to. They have not been informed that those Powers have already intimated their assent.

Their information indeed is to the effect that some at least of them have made conditions which like those of His Majesty's Government have not yet been satisfied; but in any case, in view of the large preponderance of British trade with the Turkish dominions over that of other countries, His Majesty's Government feel it their duty to take especial care that their consent shall not be given to any burden upon that trade which cannot be thoroughly justified.

I have, &c.
(Signed) EDWARD GREY.

No. 7.

Sir Edward Grey to Sir N. O'Conor.

Sir, *Foreign Office, January* 31, 1906.

I TRANSMIT to you herewith copies of a note which I have received from the Turkish Ambassador urging His Majesty's Government to give their consent to an increase of 3 per cent. in the Turkish customs duties,* and of the reply which I have returned to this communication.†

In reply to previous communications on this subject, His Majesty's Government

* No. 1. † No. 6.

have stated that they could not assent to the proposed measure except on certain specified conditions which may be summed up as follows:—

1. That the Powers should be satisfied that the three Macedonian vilayets really need the financial assistance to be derived from the proceeds of the proposed increase.
2. That it should be made clear that the proceeds of the surtax shall be applied to this purpose, and shall not be diverted to any other object without the express sanction of the Powers.
3. That foreign trade and industry in the Ottoman Dominions shall be relieved from certain restrictions and disadvantages under which it now labours.

It is impossible to admit that these conditions have yet been satisfied. But some progress has been made in that direction, and His Majesty's Government do not wish to urge their demands in a manner which would tend to obstruct further advance.

As regards the financial condition and requirements of the three Macedonian vilayets, the International Financial Commission has now commenced its work of inquiry, and although it has pronounced itself unable to enter into the question of the military expenditure, it has already come to the conclusion that the revenues of the vilayets must be largely supplemented in order to meet the costs of the administration.

It is difficult to suggest any alternative for providing this assistance preferable to the proposed increase of the customs duties, and provided that their other conditions were satisfied, His Majesty's Government would not oppose the increase being levied provisionally for the space of a year for the purpose of assigning the proceeds to the relief of the vilayets on the following conditions:—

1. An improvement in the customs administration so as to secure that the amount of the duty is properly levied, and such further arrangements as may be necessary to insure that the increased receipts shall be applied to the purposes to which they are destined.

I should wish your Excellency to consider whether these latter arrangements could not be made by the agency of the Council of the Public Debt, who, under the "Décret-Annexe" to the Decree of Mouharrem, are entitled to claim 25 per cent. of the increased revenue to be applied to the extinction of the Debt. I would suggest that Mr. Block, the British member of the Council, might be asked for suggestions on this point.

2. Such improvements and reforms in the custom-houses at the principal Ottoman ports, and such other practical facilities for commerce as are considered reasonable and desirable by those who have knowledge on such subjects.
3. Such further amendments in the new Mining Law as are considered necessary by your Excellency to render it satisfactory.

His Majesty's Government are not prepared in the first instance to give their consent to the increase for more than a year, but at the expiration of that period they would be ready to consider the propriety of its extension for a further period.

I should wish your Excellency to inform the Ambassadors of the other Powers of the views of His Majesty's Government as above stated, and to ascertain how far they would be prepared to join in supporting an arrangement on such a basis as I have mentioned.

I am, &c.
(Signed) EDWARD GREY.

No. 8.

Sir N. O'Conor to Sir Edward Grey.—(*Received February* 12.)

Sir, *Constantinople, February* 7, 1906.

AS you are aware, the annual deficit in the Budgets of the three vilayets is at present being met by monthly remittances of £ T. 50,000 sent to Salonica by the Imperial Ottoman Bank from the proceeds of the 1,000,000*l.* already advanced to the Turkish Government in consideration of the loan of two and a-half millions Turkish arranged for but not actually concluded about a year ago. M. Deffés, the Director of the bank, reminded me in conversation a day or two ago that this arrangement obviously could not continue indefinitely, and that so soon as the bank discontinued sending these remittances to Salonica the whole fabric of the arrangement for financial control in Macedonia under the bank and the Financial Commission must be seriously

jeopardized, inasmuch as the necessity of providing for the general, civil, and military administration of the Empire would outweigh even the importance of finding money for the reforms in Macedonia. In these circumstances M. Deffés apprehended, and I think with reason, that the Government will not be able to carry out their engagements regarding the Roumelian vilayets for very long, unless they acquire additional revenue from the proposed increase of the customs duties from 8 per cent. to 11 per cent.

This increase, it is roughly calculated, should produce about £ T. 800,000, of which 25 per cent., *i.e.*, £ T. 200,000, reverts to the Administration of the Debt, leaving about £ T. 600,000 towards making up the estimated deficit of £ T. 650,000 on the Macedonian Budgets.

The position in which M. Deffés shows that the Government will be placed is one of difficulty, and in considering our policy in regard to the proposed increase of the import duties it is, I think, necessary not to lose sight of this aspect of the situation.

I have, &c.
(Signed) N. R. O'CONOR.

No. 9.

Sir N. O'Conor to Sir Edward Grey.—(Received February 19.)

(Telegraphic.) *Constantinople, February 18, 1906.*

YOUR despatch of the 31st ultimo: 3 per cent. customs increase.

Everybody is agreed, I believe, that it is quite impracticable to limit its working to one year. I consider that, if we obtain our conditions, a reasonable term would be seven years.

No. 10.

Sir Edward Grey to Sir F. Bertie.

Sir, *Foreign Office, February 19, 1906.*

WITH reference to my despatch of the 31st ultimo, I transmit to you herewith copy of a Memorandum which I have addressed to the French Ambassador on the subject of the proposed increase of the Turkish customs duties.

I am, &c.
(Signed) EDWARD GREY.

Inclosure in No. 10.

Memorandum.

HIS Majesty's Government have had under consideration the Memorandum communicated by the French Ambassador on the 31st January respecting the conditions to be attached to the proposed increase of the Turkish customs duties.

The French Government are not disposed to withhold their consent from the proposal of the Ottoman Government, provided that a Convention is concluded, embodying on the one hand the sanction of Great Britain and France to the increased duties, and on the other, in terms equally formal, the conditions subject to which such sanction is granted. In their opinion it would be advisable to include the following points in the Convention:—

1. Clauses relative to the Customs and mines.
2. An explicit undertaking that the proceeds of the surtax are to be applied to the requirements of the Macedonian Budget.

The necessity for guarding against the misappropriation of the yield of the new duties is insisted upon, since their imposition is due solely and exclusively to the expenses incidental to the Reform Scheme in Macedonia.

3. The limitation of the levy of the surtax to the duration of the Mandate of the International Financial Commission.

This clause, it is observed, will make the continuance of the surtax dependent upon the good-will of the Sultan; while, on the other hand, it appears evident that His Majesty should not be in a position to destroy the work of financial reform in Macedonia at the end of two years, and continue none the less to benefit from the surtax.

His Majesty's Government are prepared, in principle, to accept the proposals of the French Government subject to a discussion of details of the Convention.

In regard to the first point enumerated in the French Memorandum, they consider that stipulations should be introduced respecting—

1. Improvement in the Customs Administration, including reforms in accommodadation and facilities at the principal ports.
2. Satisfactory amendments in the Mining Law.
3. Customs chemical analysis, particularly treatment of patent medicines.

On the second point to which reference is made, His Majesty's Government completely share the view of the French Government as to the importance of assuring the regular application of the proceeds of the surtax to the requirements of the Macedonian Budget. They have from the first made it clear that their assent to the increase would be conditional upon the exercise of an efficient control over the collection and application of the surtax fund, nor are they now prepared to modify their decision as to this essential provision. It is, however, evident that the recently constituted Financial Commission in Macedonia possesses neither the power nor the staff for the requisite supervision over the entire Customs Administration of the Ottoman Empire, and His Majesty's Government are consequently of opinion that the collection of the surtax should be intrusted to the Administration of the Imperial Ottoman Debt. The details of control and collection would form the subject of discussion between the Sublime Porte and the Administration of the Ottoman Debt, who, under the Decree of Mouharrem and the "Décret-Annexe," are entitled to special privileges in regard to any increase in the Turkish customs duties.

His Majesty's Government have no observations to offer on the third point to which their attention is drawn, and they entirely concur in the views of the French Government as to the duration of the surtax.

They further consider that a clause should be inserted in the Convention to the effect that the Turkish Government is debarred from raising a loan on the security of the surtax.

If the French Government concur in the above observations, more especially in regard to the supervision of the Ottoman Debt Administration over the surtax fund, His Majesty's Government would be prepared to give at once the necessary instructions to His Majesty's Ambassador at Constantinople to settle the actual wording of the proposed Convention in concert with his French colleague.

Foreign Office, February 19, 1906.

No. 11.

Memorandum communicated to Musurus Pasha, February 20, 1906.

ON the 18th ultimo the Turkish Ambassador made a communication to the effect that, since the modifications of the Mining Regulations had now been promulgated by Imperial Iradé, and His Majesty's Embassy at Constantinople had been notified of this fact, he had been instructed to renew the request that His Majesty's Government would no longer withhold their sanction from the increase of the Turkish customs, an increase which, as they were aware, was to come into force on the 1st March. As the Ottoman Government had complied with the demands which had been presented to them, they were convinced that His Majesty's Government would no longer refuse to consent to the increase in question, which, as his Excellency had already explained, was urgently required.

In order to obviate all cause for misunderstanding, His Majesty's Government feel it incumbent upon them to state that they do not consider that the demands which they had formulated have as yet been satisfied, and they are accordingly not prepared to consent to the imposition of the 3 per cent. surtax on British imports into Turkey from the 1st March next.

Foreign Office, February 20, 1906.

No. 12.

Mr. Spring-Rice to Sir Edward Grey.—(Received February 22.)

(Telegraphic.) *St. Petersburgh, February 22, 1906.*

TURKISH customs.

With reference to your despatch to Sir F. Bertie of the 19th instant, Count Lamsdorff suggests that His Majesty's Ambassador at Constantinople should put himself into communication with the Russian Ambassador. His Excellency shares the opinion that the guarantee for the control of the surtax is a matter of the highest importance.

No. 13.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February 22, 1906.*

INCREASE of Turkish customs.

You should communicate freely with your Russian colleague as suggested by Mr. Spring-Rice in his telegram of to-day's date.

No. 14.

Sir Edward Grey to Sir M. Durand.

(Telegraphic.) *Foreign Office, February 22, 1906.*

INCREASE of Turkish customs.

The Ottoman Government has been recently informed that His Majesty's Government must make their consent to levy of surtax on British imports conditional upon compliance of Porte with certain conditions already formulated.

To-day's "Times" publishes a telegram from Constantinople which states that the Porte has been warned by American Minister that United States' Government would not allow increased customs duties to be levied on goods from United States without their consent. This consent, it is added, would only be given upon the fulfilment by the Porte of their engagements to United States' Government.

You should inform the United States' Government of the attitude adopted by us in the matter.

No. 15.

Sir N. O'Conor to Sir Edward Grey.—(Received February 25.)

(Telegraphic.) *Constantinople, February 25, 1906.*

THE several points mentioned in the Memorandum inclosed in your despatch to Sir F. Bertie of the 19th instant formed the subject of discussion to-day between myself and the French Chargé d'Affaires.

We were of opinion that it would be well that the attention of our Governments should at once be drawn to the difficulty of limiting to the duration of the Financial Commission the levy of the 3 per cent. customs duty, as well as to the objections to such a course, and we felt sure that it would not be agreed to by our other colleagues.

The Porte will be informed to-morrow by M. Boppe that the levy of the increased duty will not be permitted by the French Government until the conditions have been agreed upon and their consent has been given.

No. 16.

Sir Edward Grey to Sir E. Goschen.

Sir, *Foreign Office, February 26, 1906.*

THE Austro-Hungarian Chargé d'Affaires asked to see me to-day, in order to press that we should give our consent to the increase of the Customs in Turkey, because his

Government feared that, if this was not soon agreed to, the Porte would have an excuse for impeding Macedonian reforms. The Austro-Hungarian Chargé d'Affaires had heard that there was some difficulty on our part with regard to the mining law, and he was evidently anxious that we should make as little of that as possible.

I replied that our conditions came really under two heads: the improvement of the custom-houses, about which I thought Sir Nicholas O'Conor did not anticipate difficulty, and of such things as the mining law, all of which were doubtless necessary to satisfy British trade that its interests had got some compensation for the increase of the customs duties. These conditions were of course equally in the interest of all trade. The second head was that the increased revenue to which we were consenting should go to Macedonian reform. With this view we were anxious that there should be some supervision over the collection of the Customs, to secure that the whole of the increased revenue, apart from the 25 per cent. allocated to the Commission of the Debt, was properly collected and applied to Macedonian reform, the object for which it was granted, and not diverted to other purposes. The Austro-Hungarian Chargé d'Affaires asked me what we had in view by this, and I told him that the particular proposal which we had suggested was that the Commission of the Debt should have some supervision in the custom-houses, this being suggested by the fact that 25 per cent. of the increased revenue must under any circumstance go to the Debt Commission. I promised to give Sir Nicholas O'Conor instructions to consult with his Austro-Hungarian colleague at Constantinople, and to let him know the conditions to which we attached importance; and I represented that the quickest way of securing the increased customs duties would be to support us at Constantinople in getting from the Turkish Government the conditions which we considered essential. British trade was so largely concerned in the matter that we could not agree unconditionally, but the conditions we had suggested were *bonâ fide* conditions, and if they were granted we should not raise further difficulties.

I am, &c.
(Signed) EDWARD GREY.

No. 17.

Sir N. O'Conor to Sir Edward Grey.—(*Received February* 27.)

(Extract.) *Constantinople, February* 20, 1906.

I HAVE the honour to acknowledge the receipt, on the 16th instant, of the despatch of the 31st ultimo, in which you have been so good as to apprise me of the attitude of His Majesty's Government in regard to the proposed increase of the existing customs duties in Turkey from 8 per cent. to 11 per cent., viz., that His Majesty's Government would consent to the increase being levied for one year (at the end of which time they would be ready to consider the propriety of its extension for a further period) on the following conditions:—

1. An improvement in the Customs Administration to secure that the amount of the duty is properly levied, together with an arrangement to ensure that the increased receipts are applied to the needs of the three vilayets.
2. Improvements and reforms in certain of the principal custom-houses, and other practical facilities for commerce.
3. Amendment of the Mining Laws.

As I have already reported that I consider the limitation of the new tax to one year would be impracticable and unacceptable to any of my colleagues, I venture to think that I need not recur to the subject.

With regard to the first condition, I should like, inasmuch as the remarks I am about to make bear to a certain extent upon both, to connect it with the condition mentioned in Lord Lansdowne's despatch of the 1st March, 1905,* requiring an assurance that the existing customs duty is properly levied.

I spoke to the Grand Vizier yesterday about the conditions which His Majesty's Government laid down before giving their consent to the proposed 3 per cent. increase of the customs duties, and especially with regard to the stipulation in your despatch under reply referring to the necessity of a guarantee that the duty is properly levied.

* See "Turkey No. 3 (1905)," No. 39.

and applied to the purpose for which it is destined, namely, providing for the deficit in the budget of the three Macedonian vilayets.

I reminded his Highness that by the "Décret-Annexe" of September 1903, the Administration of the Ottoman Public Debt was entitled to retain 25 per cent. of the customs surplus, and as it was difficult to see how they could protect their interests except by some form of supervision over collection of the new revenue, their intervention would be justified. In any case His Majesty's Government considered that their conditions as regards the collection and appropriation of the 3 per cent. customs duties increase would therefore be best safeguarded by intrusting to the Council of the Debt the control of the surtax.

The Council being an Ottoman Administration, the objections which might otherwise exist did not seem to me to be present under the circumstances. The Public Debt Administration were already so intimately acquainted with the general financial operations of the country that I thought it beyond doubt that their direct supervision of the customs would not only secure the object of His Majesty's Government, but also bring about an improvement of the general customs revenue of the Ottoman Empire which would check the leakage generally supposed to exist in the Customs and materially benefit the Imperial Treasury.

I said I indulged the hope that the Porte would themselves see the advantages of this proposal which was earnestly put before them by His Majesty's Government.

Ferid Pasha replied that he was convinced that the proposal would encounter the strongest opposition, and that to press it seriously might endanger the whole scheme of reform in Macedonia. It would, he thought, be quite impossible to induce the Porte to agree to an arrangement which, under whatever guise it might be presented, was tantamount to a foreign control over the customs receipts of the Empire.

After considerable discussion of the question in its various aspects, his Highness said that it would possibly be feasible to arrange for a surveillance of the customs duties by officials of the Imperial Ottoman Bank, who, after deducting the proportion of the new revenues due to the Debt, would pay in the balance to the bank.

I observed that I thought this arrangement would not be so satisfactory from several points of view as that which was proposed by His Majesty's Government, though it might possibly offer a reasonable guarantee for the proper collection and application of the revenue, but that I could not say whether it would be acceptable to His Majesty's Government, who were determined not to consent to the levy of the new tax until they had come to an understanding with the Imperial Government and their conditions had been complied with.

In any case I considered that, in the event of a surplus after meeting the deficiencies of the Macedonian budget, such surplus should be retained by the bank and rigidly appropriated to economic or administrative purposes.

His Highness said that the proposal to intrust the supervision to the bank appeared to him the only feasible one, inasmuch as it could be considered as falling within the scope of the existing arrangement between the Government and the Imperial Ottoman Bank for carrying out financial reform in Macedonia, and could therefore be realized administratively without requiring the sanction of an Imperial Iradé. He said, however, he would consider both proposals most carefully, and discuss them with me fully at an early date.

As I had already ascertained from Mr. Block that the Council of the Public Debt would be very willing to undertake the control of the Customs if intrusted to them by the Government, I subsequently saw the Director-General of the Imperial Ottoman Bank, and asked him, in case application should be made to him, whether the bank would be willing to assume the control of the new customs duty.

M. Deffés replied that he saw no objection, but that it would only be practicable at ports where the bank had branch offices; but as these existed at all the considerable ports of the Empire, this would probably suffice. He said he would study the matter in consultation with his administrative staff.

I am yet unable to say how the bank proposal would work out, but it appears to me probably to contain the nucleus of an arrangement which would satisfy the requirements of His Majesty's Government for a guarantee for the proper collection and application of the new revenue in case the control by the Ottoman Public Debt should prove impracticable owing to the opposition in high quarters.

In connection with the question of providing funds to meet the deficit in the Macedonian budget, I have already expressed my conviction that there are no sources of revenue available other than the proposed increase of the import duties. I see no reason to modify that view; but as a suggestion has been made to me that such revenues

do exist and the same suggestion may reach you, I think it will be useful to make the following brief remarks :—

The two sources of revenue in question are—

1. The surplus of the assigned revenues of the Public Debt, 75 per cent. of which, or about £ T. 295,000, revert to the Government under the "Décret-Annexe" of September 1903; and

2. The surplus of the tithes collected by the Public Debt for various railway and other guarantees. This amounts to £ T. 316,000, and shows a tendency to increase.

As regards the former, I readily admit that it is a new source of revenue, inasmuch as previous to the unification scheme it was accrued to the bondholders for the eventual increase of their interest. But since the unification scheme became operative, practically the whole revenue, after the deduction of certain charges, has already been absorbed, and next year's income is already saddled with the repayment of a temporary loan of £ T. 200,000 just contracted with the Imperial Ottoman Bank.

It is therefore clear that for the present there is little to be derived from this source. The other source (2), viz., the surplus on the tithes collected by the Debt, is still less real; it is not even new revenue, and it is only in the sense that it is a revenue which can be easily earmarked for any specific purpose that it can be considered as available for the needs of Macedonian reform. To employ it for that purpose is to fill one hole by digging another.

In any case, taken together and without deducting existing charges, these two sources of revenue only amount to £ T. 611,000, and would not be sufficient to meet the deficiency, which I learn is estimated to amount this year to £ T. 780,000, or, perhaps, rather less. That, besides being inadequate, these two sources of revenue are not practically available is, I think, evident.

In these circumstances, I fail to discover any possible source other than the increase of customs duties whence the deficit in the budget of the three vilayets can be met. The sum estimated to be produced by the additional 3 per cent. is, at most, £ T. 800,000, but from this must be deducted the 25 per cent. due to the debt. The arrangement with the bank which I have mentioned is certainly less satisfactory than control by the Public Debt, but it is not without some recommendations, and among them the fact that by being made a part of the scheme of reform to be carried out by the bank in Macedonia, it can be brought directly under the control of the Financial Commission.

As regards the second condition required in your despatch under reply—viz., improvements and reforms in the custom-house and other practical facilities for foreign commerce—I have, as you are aware, already obtained a modification of the Customs Analysis Regulations, which I consider satisfactory, and on the other points the Porte is showing a notable willingness to meet our demands. Commissions have been appointed to study on the spot the local requirements of each of the six ports which we have specially designated as in need of improvement, and I hope shortly to assure myself that proper effect is given to their reports; but there must naturally be some delay before material improvements, involving considerable expense, such as increasing storehouse accommodation, can be realized.

As to the third condition—the amendment of the Mining Law—my negotiations have for the moment come to a deadlock owing to the difficulty of devising some clause which will ensure the Imperial Firman being granted within a fixed delay, without which the Mining Law is of little practical advantage to British industry. We are still trying to find some formula which will reconcile our interests and those of the Imperial Government.

No. 18.

Sir N. O'Conor to Sir Edward Grey.—(Received February 27.)

Sir, *Constantinople, February* 23, 1906.

WITH reference to my despatch of the 20th instant, I have the honour to report that Mr. Block has pointed out to me that, according to the terms of Article 8, section 3, of the Decree of Mouharrem, the Government cedes to the Debt Administration, absolutely and irrevocably, the increase of the customs duties, and that, by Article 16 of the same Decree, the Council shall have the encashment of the said revenues.

The contention of the President undoubtedly strengthens your proposal for the control of the increased customs duty by the Administration of the Debt.

I have, &c.
(Signed) N. R. O'CONOR.

No. 19.

Sir N. O'Conor to Sir Edward Grey.—(Received February 27.)

(Telegraphic.) *Constantinople, February 27, 1906.*

I WAS yesterday assured by the Grand Vizier that until we had come to an agreement on the conditions no attempt will be made to enforce the execution of the 3 per cent. customs duty.

As the Grand Vizier has expressed his willingness to discuss with the Ottoman Public Debt the claim of that body to control and encash the surtax, I have advised the President, Mr. Block, at once to approach his Highness on the subject.

My foreign colleagues have been kept fully informed by me of the progress of my negotiations with the Sublime Porte, and of the conditions demanded by His Majesty's Government.

It appears that my Russian colleague is in favour of a time limit of about seven years.

No. 20.

Sir Edward Grey to Sir N. O'Conor.

Sir, *Foreign Office, February 28, 1906.*

I TRANSMIT to you herewith copy of a Memorandum on the subject of the increase of the Turkish customs duties, which was communicated by the Turkish Ambassador on the 27th February.

I am, &c.
(Signed) EDWARD GREY.

Inclosure in No. 20.

Aide-Mémoire communicated by Turkish Ambassador, February 27, 1906.

LE Gouvernement Impérial a été d'autant plus surpris de la déclaration que Sir Edward Grey a faite dans son Mémoire du 20 de ce mois que tous les desiderata du Gouvernement Britannique ont été satisfaits. Le chapitre du Règlement des Mines relatif aux recherches a été modifié de façon à assurer aux étrangers la faculté d'obtenir dans les formes d'usage l'autorisation d'effectuer des fouilles et la concession d'exploiter des mines. Le Règlement sur les analyses en Douane a été réformé en conformité des désirs exprimés par les Chambres de Commerce.

La Douane a déjà pris toutes ses dispositions pour faciliter les opérations Douanières et pour élargir ses locaux partout où cela est nécessaire.

En présence de toutes ces mesures et des sacrifices pécuniaires que le Gouvernement Impérial s'impose pour l'application des réformes dans les trois vilayets, il était loin de s'attendre à ce que le Gouvernement de Sa Majesté Britannique lui refuse son adhésion à la majoration des droits de douane, après, surtout, la correspondance qui a eu lieu lors de l'institution de la Commission Financière.

Aussi le Gouvernement Impérial est-il fondé à faire de nouveau appel aux sentiments d'amitié du Gouvernement Britannique pour qu'il veuille bien lui prêter en cette circonstance son concours qui lui est d'autant plus nécessaire que ce droit additionnel figure déjà dans le budget de l'exercice qui commence le 1er (14) Mars prochain.

Musurus Pacha renouvelle conséquemment avec instance la demande que l'adhésion du Gouvernement Royal ne soit pas refusée plus longtemps.

Ambassade Impériale de Turquie,
Londres, le 27 Février, 1906.

(Translation.)

THE Imperial Government have been the more surprised at the declaration made by Sir Edward Grey in his Memorandum of the 20th instant, as all the desiderata put forward by the British Government have been satisfied. That portion of the Mining Regulation which relates to "recherches" has been modified in such a manner as to assure to foreigners the power of obtaining in the manner prescribed permission to prospect and the concession to work mines. The Regulation in regard to the Customs analysis has been re-modelled in conformity with the desires of the Chambers of Commerce.

The Customs have already taken steps to facilitate Customs operations and to enlarge their premises wherever it is necessary to do so.

In view of all these measures and of the pecuniary sacrifices which the Imperial Government have made in order to carry out the reforms in the three vilayets, they did not anticipate that His Britannic Majesty's Government would refuse their consent to the increase of the customs duties, more especially after the correspondence which passed at the time of the appointment of the Financial Commission.

The Imperial Government, therefore, appeal once more to the friendly sentiments of the British Government in order that the latter may render them assistance in this matter, which is all the more needed, as this additional duty actually figures in the financial Budget which commences on the 1st (14th) March next.

Musurus Pasha therefore urgently renews the request that the adhesion of the King's Government should no longer be withheld.

Imperial Turkish Embassy, London,
February 27, 1906.

No. 21.

Sir N. O'Conor to Sir Edward Grey.—(*Received March* 5.)

Sir, *Constantinople, February* 27, 1906.

I HAVE the honour to transmit herewith copy of a despatch from the British Staff Officer in Macedonia relative to the meetings of the Commission of Foreign Adjoints held under the presidency of General Degiorgis Pasha at Salonica, between the 16th January and the 8th instant.

In this despatch Colonel Fairholme summarizes and explains briefly the various points in which the support of the Embassies is desired, with a view to obtaining the consent of the Porte to their execution, viz. :—

1. Recognition of the right of the gendarmerie to interfere in all cases of crime or misdemeanour by whomsoever committed;
2. Issue of a hand-book of instructions for chefs de poste;
3. Arming of the gendarmerie with a magazine carbine and revolver;
4. Strict inforcement of the regulation respecting the carrying of arms; and
5. Revision of the existing regulations for the internal discipline of the gendarmerie.

I have been consulted by my Austro-Hungarian colleague on these recommendations, and I have agreed to join in the collective note (copy inclosed) which he proposes should be addressed to the Porte by the Representatives of the Six Powers.

The note presses on the attention of the Porte only the four first of the points enumerated by Colonel Fairholme, as we are not yet in possession of the amended regulations for the internal discipline of the gendarmerie contemplated in the last point (5).

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 21.

Colonel Fairholme to Sir N. O'Conor.

Sir, *Constantinople, February* 9, 1906.

I HAVE the honour to report that the Commission of Adjoints, under the presidency of General Degiorgis, which assembled here on the 16th January, 1906, held its last meeting yesterday.

As your Excellency is aware, I was unfortunately prevented by indisposition from attending the earlier sittings, but I was, with General Degiorgis' approval, represented at these by Major F. Gore Anley, whom I had furnished with a full statement of my views on the several questions down for discussion. I found, however, that the more important points had been kept back pending my arrival.

There were in all sixteen "séances," and I think that the exchange of views and comparison of experiences which took place should prove advantageous to the work of reorganization. Complete harmony characterized the proceedings throughout.

I have the honour to inclose a note of certain points which General Degiorgis suggested that the Adjoints should refer to their several Ambassadors, with a view, if your Excellencies approve, to representations being made respecting them to the Sublime Porte, his own efforts having proved unsuccessful.

With regard to the first of the points referred to in the note, Hilmi Pasha has expressed views diametrically opposed to those held by General Degiorgis and the Adjoints, all of whom attach the very greatest importance to the recognition of the principle that it is the duty of the gendarmerie to bring to light crimes and irregularities which come to their notice, by whomsoever they may have been committed. The Inspector-General has declared that the gendarmerie has no business to concern itself with any actions of employés of any Government Department or of the troops. The latter reservation especially seems quite opposed to the spirit of the Mürzsteg note.

2. It is desirable that the hand-books containing instructions for chefs de poste should be printed. Sanction for this has been asked for ever since April last, without any result.

3. Although, in principle, the rearmament of the gendarmerie with a magazine weapon was agreed to long ago, nothing has yet been done in the matter, and the gendarmes are consequently at a great disadvantage when acting against the members of bands, who are generally armed with magazine rifles. A magazine carbine would be preferable to the long rifle for gendarmerie purposes, especially for the mounted gendarmes, but the Mauser rifle would be a great improvement on the present weapon. The question is also one affecting the prestige of the gendarmerie in the eyes of the military and of the population—a point of some importance.

It is further desirable that the gendarmes should be provided with revolvers as well as with carbines or rifles.

4. It has been found impossible to get the Turkish authorities to inforce the regulations which prohibit all persons from carrying fire-arms unless provided with a permit. At present when gendarmes do their duty and arrest persons unlawfully carrying fire-arms, the offenders are seldom, if ever, punished, and the gendarmes, besides losing prestige, in the eyes of the population, often incur the displeasure of the civil authorities.

5. The whole of the existing gendarmerie "Règlement" has been revised by the Commission. An important chapter dealing with discipline and punishment is being added. Much of the existing "Règlement," which was drawn up hurriedly by a Turkish Commission before our arrival, and which was based on the French and Italian gendarmerie "Règlements," has been found inapplicable to local conditions.

As soon as the revised "Règlement" is ready, your Excellencies will be asked to obtain its adoption by the Ottoman Government.

I have, &c.

(Signed) W. E. FAIRHOLME.

Inclosure 2 in No. 21.

Annex to Procès-verbal of Meeting held February 6, 1906 (No. 15).

LA reconnaissance du droit d'intervention de la gendarmerie dans tous les cas de crimes et délits, quels que soient leurs auteurs, est indispensable à la bonne administration du pays.

Réserve de communiquer à MM. les Adjoints la correspondance à ce sujet entre ce bureau et son Excellence Hilmi Pacha.

2. On attend l'autorisation que des livres de poche pour l'instruction des chefs de poste soient imprimés.

Dès le mois d'Avril 1905.

3. Armement de la gendarmerie.

Demander que la gendarmerie soit dans le plus bref délai pourvue d'une carabine à tir rapide et d'un revolver.

4. Il convient de faire des démarches pour obtenir que les Règlements concernant le port d'armes soient appliqués d'une façon stricte et uniforme à toutes les parties de la population.

5. Réserve de présenter à MM. les Adjoints la rédaction des Articles du Règlement qui ont été modifiés, et le nouveau chapitre sur la discipline, les punitions, et le conseil de discipline.

(Translation.)

THE recognition of the right of the gendarmerie to interfere in all cases of crime or misdemeanour, by whomsoever committed, is indispensable to the good administration of the country.

With reservation to communicate to the Adjoints the correspondence on this subject between this Department and his Excellency Hilmi Pasha.

2. Permission is awaited for the issue of a hand-book of instructions for "chefs de poste."

From April 1905:

3. Armament of the gendarmerie.

To demand that the gendarmerie should be supplied, with the least possible delay, with a magazine carbine and revolver.

4. Steps must be taken to assure the strict and uniform enforcement of the Regulations concerning the carrying of arms on every section of the population.

5. With reservation to submit to the Adjoints the text of the Articles of the "Règlement" already modified, and the fresh clause as to discipline, punishments, and the council of discipline.

Inclosure 3 in No. 21.

Draft proposed by Austro-Hungarian and Russian Ambassadors.

LE Général Degiorgis et les Adjoints Militaires des six Puissances, s'étant réunis dernièrement à Salonique pour délibérer sur les mesures à prendre en vue d'accélérer la réorganisation qui leur est confiée, se sont entendus dans la séance du 6 courant de résumer leurs propositions à cet égard dans les quatre points énumérés dans la pièce ci-jointe.

Les Ambassadeurs d'Allemagne, d'Autriche-Hongrie, de la Grande-Bretagne, d'Italie, et de Russie, et le Chargé d'Affaires de France ont l'honneur de recommander les dits points, ainsi que les observations qui les accompagnent, à la très sérieuse attention du Gouvernement Impérial Ottoman.

(Translation.)

GENERAL DEGIORGIS and the Military Adjoints of the six Powers, at a meeting held lately at Salonica to discuss the steps to be taken to accelerate the reorganization intrusted to them, agreed at the meeting of the 6th instant to embody their proposals in this respect in the four points enumerated in the accompanying paper.

The Ambassadors of Germany, Austria-Hungary, Great Britain, Italy, and Russia, and the Chargé d'Affaires of France have the honour to recommend the said points, as well as the observations which accompany them, to the very serious consideration of the Imperial Ottoman Government.

Inclosure 4 in No. 21.

Note respecting Clauses inserted in Annex to Procès-verbal No. 15 (*Inclosure* 2).

I. LA reconnaissance du droit d'intervention de la gendarmerie dans tous les cas de crimes et délits, quels que soient leurs auteurs, est indispensable à la bonne administration du pays.

II. Armement de la gendarmerie. Demander que la gendarmerie soit, dans le plus bref délai, pourvue d'une carabine à tir rapide et d'un revolver.

III. Il convient de faire des démarches pour obtenir que les Règlements concernant le port d'armes soient appliqués d'une façon stricte et uniforme à toutes les parties de la population.

IV. On attend l'autorisation des livres de poche pour l'instruction des chefs de poste soient imprimés.

I.

Le cas s'est produit assez souvent que les autorités ont procédé contre des gendarmes et même des officiers pour avoir, de leur propre initiative, ouvert des enquêtes qui, plus tard, ont pris une tournure compromettante pour des soldats ou des fonctionnaires publics. Hussein Hilmi Pacha a déclaré à ce sujet au Général Degiorgis que les gendarmes n'avaient pas le droit de commencer des enquêtes concernant des soldats et des fonctionnaires, à moins d'en avoir été expressément chargés.

D'autre part, le Règlement de la gendarmerie portant que cette dernière doit veiller à la sûreté publique et assurer le maintien de l'ordre et l'exécution des lois et Règlements, il est indispensable de laisser aux gendarmes une certaine liberté d'action dès la première constatation d'une irrégularité quelconque, même si elle a été commise par un soldat ou un fonctionnaire.

II.

Le service des patrouilles se fait dans des conditions fort difficiles. Ces patrouilles, fortes de trois à quatre hommes seulement, sont en course chaque jour pendant huit heures environ consécutives, et cela dans un terrain coupé et au milieu d'une population beaucoup mieux armée que la gendarmerie, qui ne dispose que de vieux fusils Martini. Étant employée à des missions souvent très dangereuses, il faut lui donner des armes en conséquence (fusils modernes). En améliorant son armement on augmentera aussi le prestige de ce corps, aux yeux de la population, de l'armée.

III.

A la campagne presque tous les Musulmans sont armés de fusils et de revolvers. D'autre part, les gendarmes sont tenus, aux termes de leur Règlement, d'arrêter tout individu armé qui ne possède pas de permis respectif et de le remettre aux autorités. Mais les mêmes autorités, au lieu d'appliquer à ces individus les dispositions de la loi, les laissent partir tranquillement, sans même leur prendre leurs armes.

Il y a une autre circonstance qui facilite le port d'armes abusif; c'est que les gardes champêtres ne sont pas munis de cartes de légitimation. La conséquence en est que très souvent des personnes armées, arrêtées par les gendarmes, se tirent d'affaire en se disant gardes champêtres.

Dans ces conditions il faudrait ou bien modifier le Règlement en en supprimant le paragraphe prescrivant aux gendarmes d'arrêter et de remettre à l'autorité tout individu portant, sans y être dûment autorisé, des armes, ou bien accorder à toutes les personnes qui en portent les permis réglementaires, mais, bien entendu, sans faire une distinction entre Musulmans et Chrétiens.

IV.

Le Règlement est rédigé dans un langage qui n'est pas à la portée d'un simple gendarme. Aussi, un extrait en a été fait pour l'usage des gendarmes et leurs sous-officiers et envoyé au Ministère de la Guerre pour être imprimé; cependant, ce Département, pour des raisons qu'on ignore, n'a pas donné suite, jusqu'à présent, au rapport respectif qui lui a été adressé par le Général Degiorgis.

(Translation.)

I. THE recognition of the right of the gendarmerie to interfere in all cases of crime and misdemeanour, by whomsoever committed, is indispensable to the good administration of the country.

II. Armament of the gendarmerie. To demand that the gendarmerie should with the least possible delay be supplied with a magazine carbine and revolver.

III. Steps must be taken to assure the strict and uniform enforcement of the Regulations concerning the carrying of arms on every section of the population.

IV. Permission is awaited for the issue of a hand-book of instructions for "chefs de poste."

I.

It has often happened that the authorities have taken proceedings against gendarmes and even officers for having, on their own initiative, held inquiries which resulted in compromising soldiers or officials. Hussein Hilmi Pasha informed General Degiorgis, with regard to this subject, that the gendarmes had no right to open an inquiry in which soldiers and officials were involved, unless expressly instructed to do so.

On the other hand, the Gendarmerie "Règlement" lays down that they should watch over the public security and preserve the maintenance of order and the carrying out of the laws and "Règlements," and it is indispensable to allow the gendarmes a certain liberty of action when any irregularity is detected, even if it has been committed by a soldier or official.

II.

The patrol service is carried out in very trying circumstances. These patrols, consisting of only three or four men, are on duty daily for about eight consecutive hours, and that too in broken country in the midst of a population much better armed than the gendarmerie, who are only supplied with old Martini rifles. As they are frequently employed on very dangerous operations, they should consequently be armed with modern rifles. By improving the standard of arming, the prestige of the corps will be enhanced in the eyes of the people and army.

III.

In the country almost every Mussulman is armed with rifles and revolvers. On the other hand, the gendarmes are obliged, by the terms of their Regulation, to arrest any armed person who cannot produce a permit to carry arms, and to hand him over to the authorities. But the authorities, instead of dealing with these persons according to the provisions of the law, liberate them at once, without even taking away their arms.

There is another thing which facilitates the illegal carrying of arms; the rural guards are not provided with any sort of badge. The result is that armed persons arrested by the gendarmes frequently get out of the difficulty by describing themselves as rural guards.

In these circumstances either the "Règlement" should be modified by omitting the paragraph which instructs the gendarmes to arrest and hand over to the authorities any person carrying arms without proper permission to do so, or all persons carrying arms should be supplied with the "Règlement" permits, but of course without drawing any distinction between Mussulmans and Christians.

IV.

The "Règlement" is drawn up in a language which a gendarme private does not understand. An extract has, therefore, been made for the use of the gendarmes and their non-commissioned officers, and has been sent to the Ministry of War to be printed; this Department has not, however, so far taken action on the Report on this question which General Degiorgis addressed to it, for reasons of which we are unaware.

No. 22.

Sir N. O'Conor to Sir Edward Grey.—(Received March 5.)

(Extract.) *Constantinople, February 26, 1906.*

WHEN I saw the Grand Vizier on the 19th instant, as reported in my despatch of the 20th instant, I informed his Highness that, in the view of His Majesty's Government, the surveillance by the Ottoman Public Debt constituted the most effectual means of securing the proper collection of the proposed increased customs duty of 3 per cent., and that they regarded the establishment of this control as a condition upon which their consent to the surtax will be made dependent. I also stated very clearly that His Majesty's Government would not agree to the new duty being levied on British imports until a definite understanding had been reached in regard to the conditions they had formulated.

To-day I again took an opportunity of speaking on this subject to Ferid Pasha, who, at our last interview, had promised to consider the proposals I had then made to him in accordance with your views.

His Highness gave me the satisfactory assurance, in the first place, that no attempt would be made to levy the increased duty until an understanding had been come to with His Majesty's Government in regard to the various points upon which they had made their assent conditional.

His Highness then went on to discuss the question of the right of the Public Debt, in virtue of the Decree of Muharrem, to encash all the surplus accruing from an augmentation of the Customs Tariff and the supplementary arrangement sanctioned by the "Décret-Annexe" of September 1903, whereby 75 per cent. of the surplus revenue reverted to the Imperial Ottoman Government and the remaining 25 per cent. to the Debt.

He said that if the Debt established their contention one of the conditions laid down by His Majesty's Government would be greatly simplified, and he hoped that means would be found of intrusting the Council of the Debt with a surveillance over the collection of the receipts accruing from the increased duty. The matter, however, was one which would require to be carefully examined, and until this had been done he was not in a position to say more on the subject.

I propose to request Mr. Block, the President of the Public Debt, to lose no time in presenting their case to the Grand Vizier, and I feel confident that the support given to the proposal by the action of His Majesty's Government will contribute very materially to an understanding being arrived at which will afford to the public and to British commerce ample security that the surplus revenues derived from the increased duty will not be misappropriated to purposes other than those which it is intended, or to objects which are not consonant with British interests.

No. 23.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, March 7, 1906.*

ON the 6th March the Austro-Hungarian Ambassador spoke to me on the increase of customs duties, which he supported. It was explained to him that supervision of some sort by the Debt was a point to which we attached great importance, and I said that we hoped that this suggestion might be made at Constantinople in such a way as would make it an arrangement between the Turkish Government and the Commission of the Debt. I informed him that I had instructed you to explain to the Austro-Hungarian Ambassador at Constantinople what were our conditions for the increase of customs duties.

No. 24.

Sir N. O'Conor to Sir Edward Grey.—(Received March 8.)

(Telegraphic.) *Constantinople, March 7, 1906.*

THE following is the position of the question of the 3 per cent. increase of the customs duties:—

The German Ambassador regards the rights secured to the Ottoman Public Debt by the Decree of Muharrem and the "Décret-Annexe" to be incontestable, and he will unofficially advise the Sublime Porte in this sense to-morrow. The same opinion is held in principle by the Austro-Hungarian Ambassador. It is presumed that the Italian Ambassador will share the views taken by the majority of his colleagues. The Russian Ambassador and the French Chargé d'Affaires are willing to support the proposal of His Majesty's Government for the control of the surtax by the Debt.

I think that the question of a time limit should be put forward at once, and I should like to know your decision in regard to this point.

A Commission is still discussing the Mining Law, but a settlement of our customs demands is near at hand.

A meeting of the Ambassadors to exchange views on the subject will take place shortly.

No. 25.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, March 8, 1906.*

YOUR telegram of yesterday.

I was yesterday informed by the French Ambassador that the French Government concur in the view that the Debt Commission should supervise the increase.

I did not approach the question of the time-limit, but we have accepted the suggestion made by the French Government that the proposed increase of duties should last the same length of time as the Financial Commission. If all your colleagues are in favour of a definite period, seven years for example, we shall not object to your giving way on this point.

No. 26.

Sir N. O'Conor to Sir Edward Grey.—(Received March 12.)

Sir, *Constantinople, March 5, 1906.*

I HAVE the honour to report that the *note verbale*, draft of which was inclosed in my despatch of the 27th ultimo, containing the recommendations of the Commission of Military Adjoints for the improvement of the gendarmerie in Macedonia, was presented to the Porte to-day.

The communication was made by the Six Powers in identic notes, not in a collective note as stated in my despatch above mentioned.

I have, &c.
(Signed) N. R. O'CONOR.

No. 27.

Sir N. O'Conor to Sir Edward Grey.—(*Received March* 12.)

(Extract). *Constantinople, March* 6, 1906.

I HAVE the honour to report that I received this morning a visit from the Austro-Hungarian Ambassador, in the course of which I explained to his Excellency how matters stood since I had last spoken to him on the subject in regard to the demand which we had preferred for a supervision by the Ottoman Public Debt over the collection of the proceeds of the increased customs duty.

Baron Calice remarked that His Majesty's Government had formulated several demands which the other Powers had not thought of putting forward, and that our conditions were more severe than those which the other Powers had attached to their acquiescence in the proposed increased taxation. He feared that if we insisted on these conditions, and met with a refusal, we should bring about dissensions between the Powers which would lead to the collapse of the financial reforms.

He proposed that there should be a meeting of the Ambassadors to consider the whole question, to which I replied that, in my opinion, the moment had hardly come for such a discussion, but I would nevertheless be prepared to confer with my colleagues.

In order to make your views in regard to this matter perfectly clear to his Excellency, I read to him the substance of your despatch of the 26th ultimo to Sir E. Goschen, recording your conversation with the Austro-Hungarian Chargé d'Affaires, and I impressed upon his Excellency that if he would support my representations at the Porte in regard to the supervision of the Public Debt, I was convinced that it would materially contribute to hasten our acquiescence in the surtax, and I pointed out that if we failed in securing the necessary supervision by the Administration of the Public Debt we might obtain it through the medium of the Imperial Ottoman Bank.

No. 28.

Sir M. Durand to Sir Edward Grey.—(*Received March* 12.)

Sir, *Washington, March* 1, 1906.

ON receipt of your telegram of the 22nd ultimo, relative to the increase of customs duties on goods imported into Ottoman dominions, I informed Mr. Root semi-officially of the attitude which His Majesty's Government had taken up with regard to this question.

In reply, Mr. Root has sent me a copy of the instructions sent on the 27th April, 1905, to the United States' Minister to Turkey on this subject, which I have the honour to transmit to you herewith.

I have, &c.
(For the Ambassador),
(Signed) WALTER TOWNLEY.

Inclosure in No. 28.

Mr. Adee to Mr. Leishmann.

Sir, *Department of State, Washington, April* 27, 1905.

THE Department has received your very interesting despatch of the 6th instant, touching the proposed increase in the Turkish customs rate from 8 to 11 per cent.

You are correct in your impression that the Department would not, under ordinary circumstances, object to a reasonable increase in the import duties into Turkey. In view, however, of the fact which you report, that in the negotiations with

the European Powers they have all demanded concessions of one kind or another as the price of their consent to the proposed increase, it would seem that the United States may also properly demand adequate compensation for its assent to the measure in question.

In response to your suggestion that you might possibly be able to facilitate the execution of the school settlement and other pending questions by temporarily withholding consent to the proposed measure, if this Government were willing to accept the increase and if the matter were left entirely in the hands of the Legation, the Department authorizes you to give your consent thereto, upon condition of the adjustment, along the lines indicated, and in the largest measure that may be found practicable, of the pending just claims of the United States against the Ottoman Government.

The Department has not been approached upon this subject by the Turkish Minister at this capital.

I am, &c.

(Signed) ALVEY A. ADEE, *Acting Secretary.*

No. 29.

Sir N. O'Conor to Sir Edward Grey.—(Received March 16.)

(Extract.) *Constantinople, March* 10, 1906.

IN my despatch of the 20th ultimo, I reported that my negotiations with the Ottoman Government in regard to the amendment of the Mining Law, which forms one of the conditions attached by His Majesty's Government to their consent to the proposed 3 per cent. increase of the Turkish customs duties, had come to a deadlock owing to the difficulty of devising some clause which would ensure the Imperial Firman authorizing the definitive Concession being issued within a fixed delay to the holder of a "permis de recherches."

Yesterday I received a visit from a Palace official, who had been sent by the Sultan to inform me that the modifications which I had proposed in the Mining Law would be accepted, and receive the Imperial sanction. His Imperial Majesty had further instructed him to say that as our special and numerous demands in regard to the improvement of the Customs accommodation at various ports of the Empire had either been actually fulfilled or were in a fair way of execution, he had heard with regret that Great Britain alone was responsible for the hesitation of the other Powers in accepting the proposed increase of the customs duties; but that now that all our demands were practically complied with, His Majesty sincerely hoped that I would not continue to oppose a measure which was urgently needed for the execution of the reforms which he desired to introduce in Macedonia.

I replied that I considered the points relating to the Customs improvements and additional facilities for trade were in a fair way of satisfactory settlement, and that, if the Sultan's assurances in regard to the Mining Law were realized, as I was now confident, after His Imperial Majesty's gracious message, would be the case, considerable progress would have been made in satisfying the demands formulated by His Majesty's Government in connection with the proposed increase of the customs duties, and I felt justified in saying that their consent to the surtax might now be considered to be in sight.

I proceeded, however, to remind the Sultan's Emissary that there still remained the primary condition, originally laid down by Lord Lansdowne, and upon the fulfilment of which you were equally determined to insist, viz., a guarantee that the new duty would be properly levied and its proceeds applied for the relief of the deficit in the Budgets of the Roumelian Vilayets, in such a way as to secure the uninterrupted progress of the reforms which the International Financial Commission in Macedonia had in hand. I said that His Majesty's Government were quite willing to leave the Imperial Ottoman Government to find the best means of providing this guarantee, and I understood that a method which would be acceptable to His Majesty's Government, as well as to the other Powers, had already crossed their minds; but I thought it was better to leave it entirely to the Imperial Government to settle this matter in a manner calculated to satisfy our wishes.

Later in the day I received a visit from the Austro-Hungarian Ambassador, who informed me that he had been requested by the Sultan to use his good offices to

persuade me to agree to the surtax, and that His Majesty had told him that our amendments of the Mining Law would be sanctioned within the next few days.

The First Dragoman of His Majesty's Embassy was subsequently summoned to the Palace, and requested to inform me that the Commission now convoked to consider the Mining Law would terminate its labours on the following day in such a manner as to satisfy my requirements in regard to the issue of the Firman.

I have the honour to inclose herewith Mr. Lamb's report of his interview with the Sultan's First Secretary.

Inclosure in No. 29.

Memorandum by Mr. Lamb.

THIS evening I was summoned by telegram to the Palace, where the Sultan's First Secretary informed me that His Imperial Majesty had instructed him to say that he understood that the issue of the negotiations for the increase of the customs duties depended on your Excellency, and that he counted on your well-known friendly disposition to bring them to a satisfactory conclusion.

After some general discussion, in the course of which I represented to him that it was essential that your Excellency should be placed in a position to satisfy His Majesty's Government that all the conditions originally formulated by Lord Lansdowne, and maintained by the present Cabinet with equal insistance, had been complied with. Tahsin Pasha said that the question appeared at present to narrow itself down to the amended "Règlement sur les Mines," and His Imperial Majesty desired to understand exactly what the Embassy meant by its proposals in regard to the Firmans of Concession.

I explained our views as to the necessity of securing to the holder of a prospecting licence the certainty of being able to exchange it for a definite title eventually under fair and reasonable conditions.

Thereupon, Tahsin Pasha went in to make his report to the Sultan, and returned with a message to the effect that what His Majesty's Embassy required could be done, and that the Commission should terminate its labours to-morrow in such a manner as to give you satisfaction in regard to the Firman. His Majesty, therefore, was confident that your Excellency would then not hesitate to act in the manner which he had caused to be indicated to you, and in accordance with the message which he had this afternoon sent to you through the Austrian Ambassador.

He added that, in the course of his audience, Baron Calice had represented to the Sultan that the Grand Vizier had given him to understand that a failure to grant the additional 3 per cent. would jeopardize the Macedonian Reform scheme, since the Imperial Treasury might be able to continue its periodical payments for another two months, but not longer.

His Majesty wished your Excellency to know that if this had been said, it was based on misconception or error, since, whether the 3 per cent. were accorded or not, the Imperial Government intended to fulfil the obligations which it had undertaken.

(Signed) HARRY H. LAMB.

Constantinople, March 9, 1906.

No. 30.

Sir N. O'Conor to Sir Edward Grey.—(Received March 29.)

(Telegraphic.) *Constantinople, March* 29, 1906.

I HAVE succeeded in virtually arriving at an understanding, which I consider satisfactory, with the Ottoman Government with regard to improvements and facilities in the Customs.

An Imperial Iradé has sanctioned the most important of our amendments in the Mining Law, and I shall request your permission to accept the Law so soon as I receive the official text, for which I am waiting.

No. 31.

Sir N. O'Conor to Sir Edward Grey.—(Received April 9.)

(Extract.) *Constantinople, April 3, 1906.*

I HAVE the honour to state that a communication which was formally made to the Sublime Porte by the Council of the Debt as to their rights to 25 per cent. of the revenue accruing from the increased rate, and their claim to supervise the collection thereof, was referred by the Grand Vizier to the Financial Commission at the Porte. The Commission expressed an opinion adverse to the claims of the Debt, but the Porte has made no communication of any kind to the Council in reply. The Debt, on the other hand, does not see its way for making further representations so long as the Porte does not violate the stipulations of the Muharrem Decree and "Décret-Annexe," in which case they would demand that the case should be submitted to arbitration.

No. 32.

Sir N. O'Conor to Sir Edward Grey.—(Received May 5.)

Sir, *Constantinople, May 1, 1906.*

I HAVE the honour to report that I received last night from the Sublime Porte the communication, of which a copy is inclosed, stating that it is the intention of the Imperial Government to proceed at an early date to the levying of the additional 3 per cent. on the customs duties.

After alluding to the necessity, from a financial point of view, of an augmentation of the duties, and recalling the recognition of that necessity by the Representatives of the Powers, the document goes on to say that, as the causes which retarded the application of the measure have been removed, the Sublime Porte, which had hoped to put the new duties in force at the commencement of the present financial year, now finds itself compelled to do so at an early date, any further delay being calculated to give rise to difficulties which it is of general interest to avoid.

For the past two or three days I have been aware that the Porte was contemplating some such communication, and when I was at the Porte yesterday the Minister for Foreign Affairs informed me of the substance of the document which has since reached me. In reply, I pointed out that while I was ready to admit that, in my opinion, the demands put forward by His Majesty's Government as regards the mining law and various Customs questions might be considered as virtually settled, the condition, which we had stated from the beginning as inseparable from our consent to the proposed increase, *i.e.*, satisfactory guarantees for the collection of the new duties and for the application of the resulting revenue to the needs of Macedonia, still remained unfulfilled, and until it was complied with, I did not think that His Majesty's Government would be willing to assent to the additional duties. In these circumstances, I wished to know whether any steps had been taken to comply with the essential condition we had formulated, or, in other words, whether any arrangement for the supervision of the new duties by the Administration of the Ottoman Public Debt had been agreed on.

The Minister said that this was a side of the question which had not yet found a solution, but at the same time his Excellency gave me to understand that the settlement of this phase of our demands depended in great measure upon the attitude taken up by the foreign Representatives in replying to the Porte's present communication.

The answer which should be made to the Porte's communication will doubtless be considered at a meeting of the Representatives of the Powers, and I shall report on our conclusions in due course. It is, however, obvious that a measure of so great importance to trade cannot be put into force without proper notice being given, so as to allow commerce to adjust itself to the new conditions, and to permit of arrangements being made in respect of existing contracts which might be affected by the increased duties. It is impossible to say yet with any certainty what period would be necessary, but I am disposed to think that it can scarcely be less than two, or even three, months.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 32.

Note communicated by the Ottoman Government to Sir N. O'Conor.

LORS de la discussion du Règlement pour les services financiers des trois vilayets de Roumélie, la Sublime Porte, revenant sur la question de la majoration de 3 pour cent des droits de douane, avait fait ressortir combien cette mesure était devenue indispensable pour alléger les charges du budget.

Dans les déclarations itératives qu'ils ont bien voulu faire à ce sujet, leurs Excellences MM. les Représentants des Puissances ont toujours reconnu l'opportunité d'une telle majoration; et les causes qui en retardaient l'application, ayant été écartées par les dispositions adoptées depuis par le Gouvernement Impérial, la Sublime Porte, qui comptait déjà la mettre en vigueur dès le commencement de l'exercice financier en cours, se voit dans la nécessité d'y procéder dans un très bref délai, tout nouvel ajournement étant de nature à apporter des entraves qu'il est d'un intérêt général de prévenir. Aussi le Ministère des Affaires Etrangères ne doute-t-il pas que leurs Excellences MM. les Représentants des Puissances ne veuillent bien lui notifier leur plein accord à ce sujet.

Le 30 *Avril*, 1906.

(Translation.)

WHEN the "Règlement" for the financial services of the three Roumelian vilayets was under discussion, the Sublime Porte, alluding to the question of the 3 per cent. increase of the customs duties, showed how indispensable this measure had become in order to lighten the Budget charges.

Their Excellencies the Representatives of the Powers, in the communications which they have repeatedly made on this subject, have always recognized the necessity for this increase; and the causes which delayed its application being removed by the measures since adopted by the Imperial Government, the Sublime Porte, whose intention it had been to bring it into force at the beginning of the present financial year, will be obliged to take this step shortly, every fresh postponement being calculated to cause obstacles which it is in the general interest to prevent. The Minister for Foreign Affairs, therefore, does not doubt that their Excellencies the Representatives of the Powers will be so good as to notify to him their complete agreement on the subject.

April 30, 1906.

No. 33.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, May* 5, 1906.

INCREASE of Turkish customs. Your despatch of the 1st instant.

We cannot admit a forcible attempt on the part of the Porte to levy increased customs duties without the previous consent of His Majesty's Government. It is esssential to arrive at some satisfactory arrangement for insuring the proper collection of the duty and for ascertaining its amount, in order to secure that the increase should be available for Macedonian reforms, if required for that purpose. His Majesty's Government must adhere to this condition, which was laid down by Lord Lansdowne from the beginning as necessary to their consent. You should communicate this view to your colleagues, and express the hope that it will receive their support.

No. 34.

Sir N. O'Conor to Sir Edward Grey.—(Received May 6.)

(Telegraphic.) *Constantinople, May* 6, 1906.

YOUR telegram of yesterday.

A meeting of Ambassadors and Representatives of the Great Powers to consider the Porte's note inclosed in my despatch of the 1st instant was held on Thursday.

We thought it unlikely the Ottoman Government would try to levy the increased

duty forcibly, and it was our unanimous opinion that such action would be entirely inadmissible.

A reply, embodying the conditions of our acceptance, is in course of preparation. I shall of course submit it in due course to your approval. This reply stipulates for the regular collection of the duty, and for the application to Macedonia of the proceeds, and implies the Debt's supervision for this end. The levy of the duty is limited to seven years; until two months from our acceptance it will not be put into force; for a fixed period existing contracts under the old duty must be respected; the demands we have put forward as regards Customs regulations must be acceded to, and the new mining law come into operation, &c.

No. 35.

Sir N. O'Conor to Sir Edward Grey.—(*Received May* 14.)

Sir, *Pera, May* 9, 1906.

WITH reference to my despatch of the 1st instant, I have the honour to report that a meeting of the Representatives of the six Powers was held on the 4th instant to consider the reply which we should make to the Sublime Porte's communication of the 30th ultimo, announcing its desire to levy the increased customs duties at an early date, and it was agreed among us that it was essential at this stage that we should set forth in our reply the conditions on which the assent of the Powers to the increase would be given. At the request of his colleagues, the French Ambassador undertook to draft a reply in this sense, and yesterday he discussed the draft note with the German Ambassador, acting as doyen, and myself. Some slight modifications were introduced at our suggestion, and the draft thus altered has been communicated to the three other Embassies. A copy thereof is inclosed herewith for your consideration.

Some explanation is required in regard to the second condition imposed, *i.e.*, that relative to the guarantees demanded by His Majesty's Government for the proper collection of the new duties and the application of the revenue therefrom to the needs of Macedonia. The expression "la part qui, en vertu des lois existantes, des sommes encaissées du chef de cette majoration, restera à la disposition du Gouvernement Impérial" appears to us to fulfil these conditions; it indicates sufficiently clearly the existence of the rights of the debt, and certainly cannot be interpreted by the Porte as having any other meaning.

Should any other amendments or alterations of importance be suggested by my colleagues, I shall not fail to report them at once, should I feel any doubt as to their acceptability, and meanwhile I should be glad to learn whether the draft, as it now stands, meets with the approval of His Majesty's Government.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 35.

Draft of Collective Note to be communicated to the Ottoman Government.

EN réponse au Mémorandum du 30 Avril dernier, par lequel le Ministère des Affaires Étrangères demande aux Représentants des Puissances de lui faire connaître leur réponse au sujet de la majoration de 3 pour cent des droits de douane que le Gouvernement Impérial a soumis à leur agrément, les Ambassadeurs ont l'honneur de faire connaître à son Excellence le Ministre des Affaires Étrangères que leurs Gouvernements respectifs sont disposés à accorder cette modification pour une durée de sept ans, mais subordonnent leur adhésion à la stricte observation par le Gouvernement Impérial des conditions énumérées ci-dessous:—

1. Les conditions déjà posées par les Chefs de Missions Étrangères (Loi des Mines, Règlement Douanier, et Loi sur les Analyses) à l'acceptation de la majoration des droits de douane seront exactement remplies par la Sublime Porte, qui devra officiellement donner l'avis aux Chefs de Missions de l'acceptation deces conditions.

2. Les Représentants des Puissances seront assurés par une garantie effective que la part qui, en vertu des lois existantes, restera à la disposition du Gouverne-

ment Impérial sur les sommes encaissées du chef de cette majoration, sera exclusivement consacrée à combler le déficit du Budget de la Roumélie, et que la Sublime Porte accomplira l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque, et confirmé par sa note adressée aux six Ambassadeurs sous la date du 14 Décembre dernier.

3. Afin d'éviter autant qu'il est possible que l'augmentation des droits de douane lèse les intérêts commerciaux des ressortissants des Puissances, qui n'en sont pas encore prévenus, les nouveaux droits ne peuvent être perçus que deux mois après la ratification par les Gouvernements respectifs de l'accord intervenu à ce sujet entre le Gouvernement Impérial et les Représentants des Puissances. D'autre part, les contrats passés entre les commerçants à l'étranger et ceux résidant en Turquie antérieurement à la mise en vigueur du nouveau Tarif seront exécutés pour toute leur durée sans avoir à supporter les conséquences de cette majoration, à condition toutefois que cette durée n'excède pas une année, et que la date de ces contrats puisse être régulièrement établie.

4. Le Gouvernement Impérial prendra l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

L'Article 1er du procès-verbal de signature du Traité de Commerce conclu entre l'Allemagne et la Turque le 26 Août, 1890, portant que "jusqu'à la date à laquelle le dit Traité entrera en vigueur conformément à son Article XXV le régime actuel sera maintenu," l'Ambassadeur d'Allemagne se réserve d'entrer en négociations directes avec la Sublime Porte pour modifier cet Article.

(Translation.)

IN reply to the Memorandum of the 30th April last, in which the Ministry for Foreign Affairs requested the Representatives of the Powers to inform it of their reply in regard to the 3 per cent. increase of the customs duties which the Imperial Government submitted for their assent, the Ambassadors have the honour to inform his Excellency the Minister for Foreign Affairs that their respective Governments are disposed to agree to this modification for a term of seven years, but make their adhesion subject to the strict observance by the Imperial Government of the conditions below enumerated:—

1. The conditions already laid down by the Heads of Foreign Missions (Mining Law, Customs "Règlement," and Law of Analysis) in return for the acceptance of the increase of the customs duties shall be scrupulously carried out by the Sublime Porte, who should officially inform the Heads of Missions of the acceptance of these conditions.

2. The Representatives of the Powers shall be assured by an effective guarantee that the portion which, by virtue of existing laws, shall remain at the disposal of the Imperial Government, out of the sums encashed on account of this increase, shall be exclusively devoted to making good the deficit in the Roumelian Budget, and that the Sublime Porte shall fulfil the engagement made in Article 12 of the "Règlement" arrived at between it and the Bank, and confirmed by its note addressed to the six Ambassadors on the 14th December last.

3. In order to prevent as far as is possible the increase of the customs duties injuring the commercial interests of the subjects of those Powers which are not yet aware of the arrangement, the new duties can only be levied two months after the ratification by the respective Governments of the Agreement arrived at in this connection between the Imperial Government and the Representatives of the Powers. On the other hand, contracts made between merchants abroad and those residing in Turkey prior to the bringing into force of the new Tariff shall be valid for their whole term without their being affected by the results of this increase, on condition, however, that this term does not exceed a year, and that the date of these contracts can be regularly established.

4. The Imperial Government shall formally undertake not to impose upon customs operations fresh taxes of an uncertain or unlooked-for character under the form of stamp duty or in any other manner.

Article 1 of the *procès-verbal* of signature of the Treaty of Commerce concluded between Germany and Turkey on the 26th August, 1890, laying down that "up to the day on which the said Treaty shall come into force, in conformity with its Article XXV, the existing régime shall be maintained," the German Ambassador reserves to himself the right to enter into direct negotiations with the Sublime Porte in order to modify this Article.

No. 36.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, May* 14, 1906.

YOUR despatch of the 9th instant.

We should have preferred to have the control of the Ottoman Debt Administration distinctly mentioned in the proposed note to the Porte, but we accept the wording on the distinct understanding that this is implied by the phrase "garantie effective" in Condition 2.

No. 37.

Sir Edward Grey to Sir E. Goschen.

Sir, *Foreign Office, May* 31, 1906.

I INFORMED Count Mensdorff yesterday that we had lately received an alarming account of the state of the finances in Macedonia,* owing to the fact that the Porte was not making good the deficits in the expenses of the vilayets. We had instructed Sir Nicholas O'Conor to consult with his colleagues at Constantinople as to making a representation to the Porte on this matter, which was urgent, and would throw the whole scheme of reforms into confusion if it was not set right.

Count Mensdorff observed that the 3 per cent. increase of the customs duties was very desirable to relieve the financial situation.

I said that was so, but we had now all agreed that our consent should not be given to this till it was made clear that the increase would be properly collected and available for the Macedonian vilayets. I had now agreed to the note which had been drawn up by all the Ambassadors at Constantinople, and the Powers were now all at one as to the conditions which must be agreed to before they would consent to such an increase. All, therefore, that was necessary was that the Porte should send a favourable reply to the note which had been presented, and the consent of all of us would then be forthcoming to the increase of the duties.

I also reminded Count Mensdorff that it was some months since we had sent in identic notes to the Porte, asking that there should be a satisfactory recognition of the "droit d'intervention" on the part of the gendarmerie. No reply had yet been received, and I thought it was time that some reply should be sent by the Porte.

I am, &c.

(Signed) EDWARD GREY.

No. 38.

Sir N. O'Conor to Sir Edward Grey.—(Received June 5.)

Sir, *Pera, May* 28, 1906.

WITH reference to my despatch of the 9th instant relative to the draft note collective on the subject of the additional 3 per cent. customs duties, I have the honour to report that my colleagues have agreed to the substitution in the third paragraph of the words "des trois Vilayets de Salonique, Kossovo, et Monastir" for the word "Roumélie."

Another small modification has been made at the request of the Russian Ambassador, who desires to protect Russian interests against the objectionable features and exorbitant tariff of the new Regulations for the storage of petroleum, and the words "Règlement sur l'Emmagasinage du Pétrole" have been inserted after the words "les Analyses" in the second paragraph. I felt that there could be no objection to agreeing to this amendment, which has, moreover, been accepted by my other colleagues, and I therefore yesterday signed the collective note, a copy of which in its final form is herewith inclosed.

The note will be presented to the Porte immediately.

I have, &c.

(Signed) N. R. O'CONOR.

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* See "Turkey, No. 1 (1907)," No. 64.

Inclosure in No. 38.

Note Collective.

EN réponse au Mémorandum du 30 Avril dernier, par lequel le Ministre des Affaires Étrangères demande aux Représentants des Puissances de lui faire connaître leur réponse au sujet de la majoration de 3 pour cent des droits de douane que le Gouvernement Impérial a soumis à leur agrément, les Ambassadeurs d'Allemagne, de Russie, de la Grande-Bretagne, et de France, et les Chargés d'Affaires d'Italie et d'Autriche-Hongrie, ont l'honneur de faire connaître à son Excellence le Ministre des Affaires Étrangères que leurs Gouvernements respectifs sont disposés à accorder cette modification pour une durée de sept ans, mais subordonnent leur adhésion à la stricte observation par le Gouvernement Impérial des conditions énumérées ci-dessous :—

1. Les conditions déjà posées par les Chefs de Missions étrangères à l'acceptation de la majoration des droits de douane (Loi des Mines, Règlement Douanier, Loi sur les Analyses, et Règlement sur l'Emmagasinage du Pétrole) seront exactement remplies par la Sublime Porte, qui devra officiellement donner l'avis aux Chefs de Missions de l'acceptation de ces conditions.

2. Les Représentants des Puissances seront préalablement assurés par une garantie effective que la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration sera exclusivement consacrée à combler le déficit du Budget des trois Vilayets de Salonique, Kossovo, et Monastir, et que la Sublime Porte accomplira l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Ottomane et confirmé par sa note adressée aux six Ambassadeurs sous la date du 14 Décembre dernier.

3. Afin d'éviter autant qu'il est possible que l'augmentation des droits de douane dont il s'agit lèse les intérêts commerciaux des ressortissants des Puissances qui n'en sont pas encore prévenus, les nouveaux droits ne pourront être perçus que deux mois après la ratification par les Gouvernements respectifs de l'accord intervenu à ce sujet entre le Gouvernement Impérial et les Représentants des Puissances. D'autre part, les contrats passés entre les commerçants à l'étranger et ceux résidant en Turquie antérieurement à la mise en vigueur du nouveau Tarif seront exécutés pour toute leur durée sans avoir à supporter les conséquences de cette majoration, à condition toutefois que cette durée n'excède pas une année et que la date de ces contrats puisse être régulièrement établie.

4. Le Gouvernement Impérial prendra l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

L'Article Ier du procès-verbal de signature du Traité de Commerce conclu entre l'Allemagne et la Turquie le 26 Août, 1890, portant que "jusqu'à la date à laquelle le dit Traité entrera en vigueur conformément à son Article XXV, le régime actuel sera maintenu," l'Ambassadeur d'Allemagne se réserve d'entrer en négociations directes avec la Sublime Porte pour modifier cet Article.

(Translation.)

IN reply to the Memorandum of the 30th April last, in which the Ministry for Foreign Affairs requested the Representatives of the Powers to inform it of their reply in regard to the 3 per cent. increase of the customs duties which the Imperial Government submitted for their assent, the Ambassadors of Germany, Russia, Great Britain, France, and the Chargés d'Affaires of Italy and Austria-Hungary, have the honour to inform his Excellency the Minister for Foreign Affairs, that their respective Governments are disposed to agree to this modification for a term of seven years, but make their adhesion subject to the strict observance by the Imperial Government of the conditions below enumerated :—

1. The conditions already laid down by the Heads of Foreign Missions in return for the acceptance of the increase of the customs duties (Mining Law, Customs "Règlement," Law of Analysis and the "Règlement" for the Storage of Petroleum) shall be scrupulously carried out by the Sublime Porte, who should officially inform the Heads of Missions of the acceptance of these conditions.

2. The Representatives of the Powers shall be first assured by an effective guarantee that the portion which, by virtue of existing laws, shall remain at the

disposal of the Imperial Government out of the sums encashed on account of this increase, shall be exclusively devoted to making good the deficit in the Budget of the three Vilayets of Salonica, Kossovo, and Monastir, and that the Sublime Porte shall fulfil the engagement made in Article 12 of the "Règlement" arrived at between it and the Ottoman Bank, and confirmed by its note addressed to the six Ambassadors on the 14th December last.

3. In order to prevent as far as is possible the increase of the customs duties injuring the commercial interests of the subjects of those Powers which are not yet aware of the arrangement, the new duties can only be levied two months after the ratification by the respective Governments of the agreement arrived at in this connection, between the Imperial Government and the Representatives of the Powers. On the other hand, contracts made between merchants abroad and those residing in Turkey prior to the bringing into force of the new Tariff, shall be valid for their whole term without their being affected by the results of this increase, on condition, however, that this term does not exceed a year, and that the date of these contracts can be regularly established.

4. The Imperial Government shall formally undertake not to impose upon customs operations fresh taxes of an uncertain or unlooked-for character under the form of stamp duty, or in any other manner.

Article 1 of the *procès-verbal* of signature of the Treaty of Commerce concluded between Germany and Turkey on the 26th August, 1890, laying down that "up to the day on which the said Treaty shall come into force in conformity with its Article XXV, the existing régime shall be maintained," the German Ambassador reserves to himself the right to enter into direct negotiations with the Sublime Porte, in order to modify this Article.

No. 39.

Sir N. O'Conor to Sir Edward Grey.—(*Received June* 8.)

Sir, *Pera, June* 2, 1906.

THE present moment appears to me to be a suitable one for passing briefly in review the results obtained in securing for British interests substantial advantages in respect of—

1. The modification of the Mining Law;
2. The promulgation of more liberal regulations for chemical analysis in the Customs; and
3. The introduction of definite reforms in the Custom-house administration of the Empire.

As the correspondence exchanged with your Department will show, this Embassy has, for nearly six years past, been engaged in pressing for the abrogation of certain clauses in the former Mining Law which were so interpreted as to hamper British enterprise very considerably. There can be no doubt that the new Law has done much to satisfy our requirements in this respect. The final grant of a prospecting licence ("permis de recherche") is no longer left to the arbitrary will of the Minister of Mines, but now devolves upon the Council of State, which is more likely to take into account the economic and industrial interests of the country. Further, these prospecting licences must, in virtue of the new Law, be delivered within a fixed period after the date of application, instead of being left indefinitely in suspense as was often the case before. Another most important point is, that now a prospecting licence can no longer be withdrawn, but remains the property of the licensee, who is allowed a period of from one to two years within which to apply for his concession. But the most valuable gain afforded by the new Law is the fixing of a time limit of one year within which the Firman of Concession must be granted, after all the formalities have been duly complied with, to the holder of the prospecting licence. As it is within the knowledge of His Majesty's Embassy that, under the former Law, applications for Firmans of Concession remained without effect for upwards of ten years, the importanee of this amendment will be ea ily understood.

The official promulgation of the Mining Law, as amended in accordance with the demands of His Majesty's Embassy, is conditional upon the acceptance by His Majesty's Government of the 3 per cent. customs increase.

The Regulations for Chemical Analysis in the Customs have been so drawn up as

no longer to constitute a vexatious hindrance to legitimate trade, but merely to carry out the duty incumbent on every Government of seeing that noxious articles are not imported for purposes of human consumption. Its provisions are not ideally perfect, and it is far from improbable that it may still give rise to complaint, but I am convinced that we shall no longer have to formulate claims in respect of the stoppage of such goods as teas dyed with Prussian blue, or soaps because their composition does not exactly accord with the views of the Turkish school of medicine, or sweets coloured with aniline dyes. Moreover, traders have every reason to congratulate themselves that the analysis now takes place at the Customs, and that it is no longer necessary for them to undertake the long journey to the military medical schools at Haidar Pasha; that when goods are condemned upon analysis an official statement setting out the reasons of such condemnation has to be furnished to the importer, and that provision is made for the establishment of a staff of competent analysts at the more important customs offices.

As to improvements in the Custom-house, you are aware that the Powers have for long past been formulating demands for extensive reform in this matter throughout the Empire. On the 18th January of this year I presented to the Porte a Memorandum (see my despatch of the 23rd January), summarizing eight principal points among those already demanded, on which improvement appeared essential in the interests of British trade. The Porte replied in a circular note addressed to all the Embassies on the 9th March, 1906, stating that five of these had been carried out already, that the others were still being examined, and that the expenditure requisite would figure in the Budget of the ensuing financial year; these three latter points are:—

1. The increase of storage accommodation (depôts and entrepôts) at the customs at Constantinople, Smyrna, Beyrout, Bussorah, Samsoun, Alexandretta, Benghazi, Rhodes, Lagos, Rodosto.
2. Increase of customs staff at the above-named ports.
3. Satisfactory solution of the important question of porterage.

The five points on which satisfaction has been given to our demands are the following:—

4. Extension of working hours at the Customs.
5. Cessation of the irregular levy of storage dues.
6. Acceleration of customs inspection.
7. Arrangements for the free entry of certain classes of samples for commercial travellers.
8. Abolition of weighing dues, which latter point is still being considered with the porterage question.

The note further gives assurances that the analytical laboratories to be established at certain principal ports of the Empire under the Regulations for Chemical Analysis will be at once instituted. Moreover, concurrently with this communication, His Majesty's Embassy was informed by the Porte that as soon as the information called for from the local Customs authorities had been received they would notify officially to the Embassies the precise nature of the measures adopted, and undertake that the three remaining demands for which time and considerable expenditure were requisite would be duly carried into effect.

The collective note recently addressed to the Porte by the Representatives of the Powers (copy inclosed in my despatch of the 28th May, 1906) subordinates their acceptance of the increase of the 3 per cent. in the customs duties to the strict and complete execution by the Porte of its engagements with regard to the Mining Law, the customs improvements, and the Chemical Analysis Regulations; it further stipulates for an effective guarantee that the increased taxation will be properly collected and applied to making good the deficit of the Vilayets of Salonica, Kossovo, and Monastir (see my despatches of the 20th and 26th February, 1906), and, while limiting the increase of customs duties to a period of seven years, it adds a clause demanding the modification of the Regulations recently published as to the storage of petroleum, which are objectionable as practically constituting a Government monopoly of such storage.

Assuming, as is probable, that the Porte accepts our conditions, the assurances already given that the engagements entered into will be complied with, together with the urgent need of the Imperial Government of pecuniary assistance, justify the

belief that the financial embarrassments of Macedonia will be materially relieved without imposing any unreasonable burden on the importer which would be detrimental to the expansion of British trade.

I have, &c.
(Signed) N. R. O'CONOR.

No. 40.

Sir N. O'Conor to Sir Edward Grey.—(Received June 18.)

Sir, *Therapia, June 8, 1906.*

WITH reference to my despatch of the 27th February last relative to the recommendations made by the Commission of Foreign Staff Officers, presided over by General Degiorgis Pasha, to expedite the reorganization of the Macedonian Gendarmerie, I have the honour to report that, no reply having been received from the Porte to the communication made by the Six Powers inviting the attention of the Ottoman Government to four out of the five points urged by the Commission, the Austro-Hungarian Chargé d'Affaires has been instructed by his Government to invite his colleagues to join him in pressing for an answer.

The identic communication of which a copy is inclosed was therefore prepared by M. Otto, and, after having been approved by us, has been presented to the Porte by the Dragomans of the six Embassies.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 40.

Communication addressed to Sublime Porte.

LES Représentants des Six Puissances ont l'honneur de rappeler au Gouvernement Impérial Ottoman leur communication du 3 Mars dernier dont l'annexe indiquait certaines mesures proposées par le Général Degiorgis et les Adjoints Militaires en vue d'accélérer la réorganisation qui leur est confiée.

Les Représentants prient la Sublime Porte de vouloir bien leur faire connaître la suite qu'elle a donnée aux propositions dont il s'agit.

Constantinople, le 7 Juin, 1906.

(Translation.)

THE Representatives of the six Powers have the honour to call the attention of the Imperial Ottoman Government to their communication of the 3rd March last, in the Annex of which were suggested certain measures proposed by General Degiorgis and the military adjoints, with a view to accelerating the reorganization which is intrusted to them.

The Representatives beg the Sublime Porte to be so good as to inform them of the action which it has taken with regard to the proposals in question.

Constantinople, June 7, 1906.

No. 41.

Sir N. O'Conor to Sir Edward Grey.—(Received June 22.)

(Telegraphic.) *Constantinople, June 22,* 1906.

THE answer which the Sublime Porte has sent to our note of the 28th May, copy of which was inclosed in my despatch of that date, is in several ways unsatisfactory.

Consultations are proceeding between my colleagues and myself with regard to the answer which we should return to the Porte's communication.

No. 42.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, June* 25, 1906.

YOUR telegram of the 22nd instant.

We cannot consider what course to adopt respecting the proposed increase of customs dues until we have received the full text of the Porte's note. You should not commit yourself to any reply in the meantime.

No. 43.

Sir N. O'Conor to Sir Edward Grey.—(Received June 25.)

Sir, *Therapia, June* 19, 1906.

I CALLED upon the Grand Vizier yesterday, and for the third time within ten days I impressed upon his Highness the importance of making good the deficit of £ T. 85,000 required for payment of the administration of Macedonia on the 1st (14th) of this month. I reminded him that the arrangement agreed to by the Powers was based upon the punctual fulfilment of the agreement between the Imperial Government and the Imperial Ottoman Bank, and that they could not violate this agreement without jeopardizing the very foundation of the existing edifice. Apart from this, their failure to make good the deficit and to fulfil their engagement was causing the worst impression on all sides, destroying the confidence which was beginning to be felt in the Financial Commission, and rendering the progress of any real reforms in the administration almost impossible. Moreover, it was dangerous to the Porte itself to disturb the confidence which the punctual performance of their promises during twelve months had naturally inspired, and I urged that it was in their interest to do all in their power to provide the funds required by Article 12 of the Bank Scheme.

His Highness said that he hoped the Iradé sanctioning the 3 per cent. customs duty on the conditions laid down by the Powers would be issued within a few days, and that he would then be able to borrow the money required for the Roumelian provinces either from the debt or from the Ottoman Bank. There would have been no interruption of the regular monthly payment of £ T. 86,000 required by the bank, had the negotiations for the conversion of the Priorities not broken down, but it was clearly impossible for the Government to accept the bank's terms of 86 when the Unified Debt, with which the Priorities would ultimately rank, stood at 95½. In any case I might be assured that he would do all in his power to find the necessary funds as soon as possible.

I have, &c.
(Signed) N. R. O'CONOR

No. 44.

Sir N. O'Conor to Sir Edward Grey.—(Received June 30.)

Sir, *Therapia, June* 24, 1906.

I HAVE the honour, with reference to my telegram of the 22nd instant, to transmit herewith a copy of the note addressed by the Porte to the Ambassadors of the Great Powers in reply to their communication of the 28th May.

This note, whatever may be the intentions of the Sublime Porte, is clearly unsatisfactory as regards the "effective guarantee" required by the Powers respecting the collection of the 3 per cent. customs duty, and no less in regard to its apparent interpretation of the 12th Article of the Agreement between the Ottoman Government and the Imperial Ottoman Bank, by which the Imperial Government undertook to make good the whole of the deficit in the three Roumelian vilayets, whereas in their present note they only undertake to make good this deficit so far as their share (75 per cent.) of the new duty enables them to do so.

The second point to which exception must be taken refers to the seven years' limit agreed to by the Powers, at the expiration of which they would be able to reconsider their decision in case the Imperial Government failed to execute its engagements. Instead of agreeing to this, they propose that the tax should be levied until

new Treaties of Commerce are concluded. Such a proposal is absolutely contrary to our conditions, and clearly unacceptable.

On these two points my colleagues appears to be unanimous.

As regards the Mining Law, the Customs Regulations and Chemical Analysis, I propose we should take act of the Porte's assurances, but demand that these laws and Regulations shall be communicated to us officially.

As regards the delay of one year in favour of existing contracts, my colleagues and myself are inclined to admit the force of the Porte's contention, and to consider that a stipulation of this sort would give room to considerable abuse and be difficult of execution. It is feared that importers, as soon as they heard of the stipulation, would hasten to conclude contracts for twelve months on the 8 per cent. basis, that the genuine nature of these contracts would be difficult to establish, and that the Ottoman Treasury would be deprived of much of its revenue in more or less a fictitious way.

I have prepared a draft of a note in the above sense, which I hope to submit to my colleagues to-night at a meeting which I have urged Baron de Calice to convoke, as owing to its being the reception day of the Grand Vizier and the Minister for Foreign Affairs we cannot meet in the afternoon.

Meantime, I hasten to submit my views on the subject as above stated and would respectfully request to be informed by telegraph whether they meet with your approval.

I do not know whether we shall be able to come to a satisfactory understanding with the Porte in time to allow of the 3 per cent. customs duty being submitted to and ratified by the French Chambers before they separate next month; but I have little doubt that if we do not enable the Porte to fulfil its pecuniary engagements in regard to Macedonia by this tax we shall seriously compromise the progress of the reforms and stultify all the efforts of the Financial Commission to improve the general administration of the three vilayets. Even the conversion of the Priorities Loan will not enable the Ottoman Government to continue to pay £ T. 750,000 a-year to Macedonia at the expense of the rest of the Empire.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 44.

Note addressed to the Ambassadors of the Great Powers by the Sublime Porte.

LE Ministère des Affaires Étrangères a eu l'honneur de recevoir la note collective que leurs Excellences MM. les Ambassadeurs d'Allemagne, de Russie, de la Grande-Bretagne, et de France, et MM. les Chargés d'Affaires d'Italie et d'Autriche-Hongrie ont bien voulu lui adresser le 15 (28) Mai relativement à la majoration de 3 pour cent des droits de douane.

2. En ce qui concerne la Loi des Mines, le Règlement Douanier, la Loi sur les Analyses, et le Règlement sur l'Emmagasinage du Pétrole, le Gouvernement Impérial les ayant déjà modifiés, le premier point mentionné dans la communication précitée se trouve ainsi avoir été réglé.

3. Quant au second point, la Sublime Porte, tout en renouvelant l'engagement contenu dans l'Article 12 du Règlement du 26 Zilhidjé, 1322, intervenu entre le Gouvernement Impérial et la Banque Impériale Ottomane et qui garantit le paiement sur les revenus douaniers du déficit du Budget des Vilayets de Salonique, Kossovo, et Monastir, déclare qu'elle couvrira ce déficit par la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration.

4. Pour ce qui est de la date de la mise en vigueur de cette majoration, le Gouvernement Impérial estime qu'il y a lieu de fixer un délai suffisant aussi bien pour l'obtention des ratifications nécessaires que pour la sauvegarde des intérêts du commerce. Mais désigner un délai distinct en faveur des contrats passés antérieurement à cette date entre les commerçants à l'étranger et ceux résidant en Turquie, ce serait laisser la porte ouverte à des abus et à des réclamations sans fin, vu surtout l'impossibilité de constater la date certaine de ces contrats, qui se font presque toujours par correspondance et non point par des actes enregistrés. Il est, d'ailleurs, à remarquer qu'il ne s'agit point d'une défense d'importation pour que l'exécution des commandes puisse en souffrir, et que l'on soit tenu de faire une exception à leur égard,

exception qui aurait encore pour résultat de favoriser une catégorie de commerçants au détriment des autres.

5. Aussi le Gouvernement Impérial, dans le but de sauvegarder sous tous les rapports les intérêts du commerce, fixe-t-il le 1er (14) Septembre prochain, qui est un délai assez long, pour l'application de la majoration.

6. Relativement au quatrième point, la Sublime Porte n'hésite pas de donner l'assurance que les opérations douanières ne seront point frappées de nouvelles taxes sans une entente avec les Puissances intéressées.

7. Enfin, la durée de sept ans à laquelle leurs Excellences désireraient limiter cette majoration, représente une période assez longue pendant laquelle il est à espérer que les nouveaux Traités de Commerce qu'il est convenu de conclure seront signés, ou tout au moins qu'un tarif spécifique appelé à remplacer le régime *ad valorem* aussi bien dans l'intérêt de l'administration que du commerce sera appliqué dans l'intervalle. Mais en toute prévision, la Sublime Porte se croit fondée de s'assurer que si même au bout de cette période une entente n'était pas établie, les droits de douane de 11 pour cent continueront à être perçus jusqu'à ce que cette entente intervienne, sans qu'il soit besoin d'aviser à de nouvelles formalités pour la continuation de ce régime.

8. La Sublime Porte déclare, en outre, qu'elle est prête à signer avec l'Ambassade Impériale d'Allemagne un procès-verbal spécial à l'effet de modifier, en conformité du présent accord, l'Article 1er du procès-verbal de signature du Traité de Commerce Turco-Allemand du 28 Août, 1890.

9. Pour conclure, le Ministère des Affaires Étrangères aime à espérer que leurs Excellences voudront bien, de leur côté, faire le nécessaire dès maintenant pour la mise en application de la majoration douanière dont il s'agit à partir du 1er (14) Septembre prochain.

Sublime Porte, le 21 *Juin,* 1906.

(Translation.)

THE Ministry of Foreign Affairs has had the honour to receive the collective note which their Excellencies the Ambassadors of Germany, Russia, Great Britain, and France, and the Chargés d'Affaires of Italy and Austria-Hungary, were so good as to address to it on the 15th (28th) of May, relative to the 3 per cent. increase of the customs duties.

2. With regard to the Mining Law, the Customs "Règlement," the Law of Analysis, and the "Règlement" for the Storage of Petroleum, the Imperial Government having already modified them, the first point mentioned in the communication above referred to can therefore be said to have been settled.

3. As to the second point, the Sublime Porte, while renewing the undertaking contained in Article 12 of the "Règlement" of the 26th of Zilhidjé, 1322, arrived at between the Imperial Government and the Imperial Ottoman Bank, which guarantees to make good, out of the customs revenues, the deficit in the Budget of the Vilayets of Salonica, Kossovo, and Monastir, declares that it will meet this deficit out of the portion which, by virtue of existing laws, shall remain at the disposal of the Imperial Government out of the sums encashed on account of this increase.

4. In regard to the date fixed for bringing into force this increase, the Imperial Government are of opinion that sufficient time should be allowed both for obtaining the necessary ratifications and for safeguarding commercial interests. But to mention an actual term in favour of contracts made prior to this date between merchants abroad and those living in Turkey would be to encourage endless abuses and claims, more especially in view of the impossibility of stating with any certainty the dates of such contracts, which are almost always made by correspondence, and not by registered deeds. It should, besides, be observed that there is no question of excluding imports in order that the carrying out of orders may suffer injury thereby, and that an exception should be made in respect to them, an exception which would have, moreover, the result of favouring one class of merchants to the detriment of others.

5. The Imperial Government therefore, with a view to safeguarding in all respects commercial interests, have fixed the 1st (14th) September next, a date sufficiently distant, for applying the increase.

6. Relative to the fourth point, the Sublime Porte does not hesitate to give an assurance that no fresh taxes shall be imposed on customs operations without an understanding with the Powers interested.

7. Lastly, the term of seven years to which their Excellencies would wish to limit this increase represents a sufficiently long period, in which it is to be hoped that the new Commercial Treaties which it has been agreed to conclude will be signed, or at any rate that a specific tariff to replace the *ad valorem* régime as much in the interest of the administration as of trade will be applied in the interval. But at all events the Sublime Porte must assure itself that, even if at the close of this period an understanding should not have been come to, the 11 per cent. customs duties shall continue to be levied until this understanding be arrived at, without it being necessary to enter upon fresh negotiations in order to prolong this arrangement.

8. The Sublime Porte declares besides that it is prepared to sign with the Imperial German Embassy a special *procès-verbal* with a view to modifying in conformity with the present agreement Article 1 of the *procès-verbal* of signature of the Turco-German Treaty of Commerce of the 28th August, 1890.

9. In conclusion, the Ministry of Foreign Affairs trusts that their Excellencies on their side will be so good as to do what is necessary without delay for bringing into force the customs increase in question from the 1st (14th) September next.

Sublime Porte, June 21, 1906.

No. 45.

Sir N. O'Conor to Sir Edward Grey.—(*Received July* 2.)

Sir, *Therapia, June* 26, 1906.

WITH reference to my telegram of the 22nd instant, to my despatch of the 24th instant, and to your telegram of yesterday's date, I have the honour to report that the Representatives of the Six Great Powers met at Baron de Calice's last night, and agreed upon the draft of their reply to the Porte's note of the 21st instant respecting the 3 per cent. customs duty.

The Representatives were unanimously in favour of conceding the Porte's demand in regard to contracts, but on maintaining intact the other conditions contained in our note of the 28th May. They also agree to recommend to their Governments the acceptance of the 3 per cent., provided the Porte complied with the demands now presented to them for the second time, and to submit the draft note, copy of which I have the honour to inclose, for the approval of their respective Governments.

The Grand Vizier, who had been visited by me and most of my colleagues in the course of the afternoon, had assured us that there was no intention whatsoever on the part of the Imperial Government to repudiate their engagement to make good the whole deficit of the three Roumelian vilayets Budgets after payment of the new tax, and, further, that instructions had already been given to the Minister of Finance to come to an understanding with the President of the Public Debt in accordance with our demand. His Highness, however, had strongly protested against the seven years' limit of time as unfair to Turkey, more especially in view of the fact that a much higher customs duty had been allowed to Bulgaria, and he asked me to endeavour to persuade His Majesty's Government not to insist upon this stipulation.

I replied that I was sorry not to be able to comply with his Highness' request, but that this clause was the only one of, so to speak, a penal character which could be invoked in case the Imperial Government failed to fulfil their engagements in regard to the various demands which they accepted in principle, and as to which time was required before we could say whether they were properly complied with or not. I felt obliged to tell his Highness quite candidly that I was, for several reasons, strongly in favour of maintaining this stipulation, but that, whether this were so or not, I was sure it would be useless to ask you to alter the decision you had already come to on this point, especially as you desired in the first instance to fix a term of two years.

His Highness was urgent in his request that the 3 per cent. should come into force on the 1st (14th) of September, but while we all admitted at our conference that any unreasonable delay would be prejudicial to the Financial Commission, and arrest the progress of reforms, we considered that the conversion of the Priorities which had just been concluded, would enable the Government to meet the deficits until such time as the new duty came into force, which could not be until it had been sanctioned by the French and German Parliaments.

I urged the importance of the Imperial Government making provision from the

Conversion Loan for the deficits for the next four or five months, and the French Ambassador and I undertook to speak to the Grand Vizier in this sense, and to move the Imperial Ottoman Bank to try to reserve for this purpose the necessary funds. We did this the more readily as, in providing for the Roumelian deficits out of capital even during the next six months, the Ottoman Government will be only doing what they have done of their own accord during the last year and a-quarter. They undertook, when the arrangement with the bank was made, to pay £T. 50,000 per month from the Customs receipts towards the monthly deficit of £T. 68,000, but they have always paid these sums from borrowed money.

The stipulation made in the draft note sent herewith, by which we require material proof that the engagements of the Porte in regard to the Customs regulations, the Mining Law, &c., are being carried into execution is, I consider, a wise and necessary provision, upon which it is prudent and well to insist.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 45.

Draft of Proposed Note to be submitted to the Sublime Porte.

LES Ambassadeurs d'Autriche-Hongrie, de Grande-Bretagne, de France, de Russie et les Chargés d'Affaires d'Allemagne et d'Italie ont reçu la note verbale que le Ministère Impérial des Affaires Étrangères leur a fait l'honneur de leur adresser à la date du 21 Juin, 1906. Ils espéraient qu'au moins sur les points principaux l'accord était complet avec le Gouvernement Ottoman, et cependant sur le plus important de ces points la note de la Sublime Porte n'a pas une clarté et une précision suffisantes pour pouvoir être soumise à la ratification des Gouvernements intéressés.

Ainsi la Sublime Porte, tout en renouvelant l'engagement contenu dans l'Article 12 du Règlement du 26 Zilhidjé, 1322, qui garantit le paiement sur les revenus douaniers du déficit du Budget des trois vilayets de Salonique, Kossovo, et Monastir, déclare qu'elle couvrira ce déficit par la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration. Or, les Représentants des Puissances ont demandé d'être assurés par une garantie effective que les fonds encaissés et représentant la part du Gouvernement Impérial dans l'augmentation de revenus produits par la majoration seront employés intégralement au paiement du déficit du Budget des trois vilayets, et qu'en cas d'insuffisance la Banque Ottomane, par application de l'Article 12 précité, devra combler ce déficit. Or, il n'est aucunement question de l'octroi de la garantie, et il semblerait que le Gouvernement Impérial entend ne faire couvrir le déficit du Budget des dits vilayets que jusqu'à concurrence des sommes qui resteront à sa disposition sur celles produites par l'application de la majoration, ce qui est inadmissible.

Les Représentants des Puissances estiment qu'ils peuvent proposer à leurs Gouvernements respectifs de renoncer à la clause par laquelle les contrats entre commerçants résidant à l'étranger et ceux résidant en Turquie devaient bénéficier d'un délai d'un an pour l'exécution de ceux de ces contrats qui seraient intervenus avant la mise en vigueur des nouveaux Tarifs, mais ils ne sauraient accepter que cette mise en vigueur fût fixée au 14 Septembre prochain. Quelques-uns des Parlements, dont le vote est nécessaire, sont sur le point de se séparer ou ont déjà cessé de siéger, et il est impossible qu'ils se prononcent avant leur prochaine session.

Quant à la durée de sept ans fixée par les Puissances comme limite à la perception des droits majorés, elle ne saurait être étendue; maintenir cette extension conduirait fatalement au refus de ratification des Gouvernements intéressés.

Les Représentants des Puissances ont le regret de faire savoir à la Sublime Porte que le premier point des notes échangées relatives aux mines, au Règlement Douanier, aux analyses chimiques, à l'emmagasinage du pétrole, &c., qu'elle affirme avoir été réglé, peut l'avoir été en effet par des décisions, mais ne l'est pas en pratique. De fâcheux errements sont encore suivis par le service douanier; en ce qui concerne les pétroles, la modification a consisté à augmenter les droits de perception de façon à en rendre la vente plus difficile, et même absolument impossible en cas d'emmagasinage prolongé. Quant à l'application de la Loi sur les Mines, elle ne paraît pas devoir se faire aux ayants droit actuels.

La seconde partie du Règlement Douanier n'a pas été communiquée aux Chefs de

Mission; il est impossible, cependant, qu'une ratification puisse intervenir avant qu'ils en aient le texte sous les yeux.

Les Représentants des Puissances, Soussignés, espèrent que la présente note verbale mettra fin à tout malentendu et que la Sublime Porte, aussi désireuse qu'eux-mêmes de voir se réaliser les projets d'amélioration proposés pour les trois provinces Rouméliotes, voudra bien, par une prompte adhésion, en assurer le bénéfice aux trois vilayets intéressés.

(Translation.)

THE Ambassadors of Austria-Hungary, Great Britain, France, and Russia, and the Chargés d'Affaires of Germany and Italy have received the *note verbale* which the Imperial Ministry for Foreign Affairs did them the honour to address them on the 21st June, 1906. They had hoped that they were entirely at one with the Ottoman Government, at any rate on the principal points, but they see that on the most important of these points the note of the Sublime Porte is not sufficiently clear and precise to allow of its being submitted for ratification by the Governments concerned.

Thus the Sublime Porte, whilst renewing the undertaking contained in Article 12 of the "Règlement" of the 26th Lilhidjé, 1322, guaranteeing the payment out of the customs revenues of the deficit of the Budget of the three vilayets of Salonica, Kossovo, and Monastir, states that it will meet this deficit out of the portion which, by virtue of existing laws, shall remain at the disposal of the Imperial Government out of the sums encashed on account of this increase. But the Representatives of the Powers had asked to be assured by an effective guarantee that the money encashed, representing the portion accruing to the Imperial Government from the increased revenues yielded by the surtax should be devoted exclusively to the payment of the deficit of the Budget of the three vilayets, and that, in the event of insufficiency, the Ottoman Bank, by applying the above-mentioned Article 12, should make good this deficit. But the question of finding a guarantee is not mentioned, and it would seem that the Imperial Government propose to meet the deficit in the Budget of the said vilayets only to the amount of the money remaining at their disposal out of the proceeds of the surtax—an inadmissible state of things.

The Representatives of the Powers are willing to ask their respective Governments to forego the clause by which contracts between merchants abroad and merchants in Turkey should receive a year's grace in the case of such of these contracts as had been made before the new Tariffs came into force, but they are unable to agree to the 14th September being fixed as the date. Some of the Parliaments whose vote is required are about to be prorogued, or have actually broken up, and they cannot come to any decision before their next Session.

The term of seven years fixed by the Powers for the levying of the increased duties cannot be extended; to insist on such extension would undoubtedly entail a refusal to ratify on the part of the Governments concerned.

The Representatives of the Powers regret to have to inform the Sublime Porte that the first point in the notes exchanged respecting mines, the Customs Regulation, chemical analysis, storage of petroleum, &c., which it says have been settled, may indeed have been settled in theory, but has not yet been given practical effect. Bad methods are still followed in the Customs service; in regard to petroleum, the modification introduced consists in the increase of the duty to an extent which will render the sale more difficult, and absolutely impossible in the case of prolonged storage. As to the application of the Mining Law, it does not appear to apply to persons actually enjoying concessions.

The second part of the Customs Regulation has not been communicated to the heads of Mission; ratification cannot take place, however, until they have examined the text.

The undersigned Representatives of the Powers trust that the present *note verbale* will remove any misapprehensions which exist, and that the Sublime Porte, who is as anxious as they themselves are to see the realization of the reforms proposed in the three Roumelian vilayets will, by giving its adhesion without further delay, allow the three vilayets concerned to reap the benefit of them.

No. 46.

Sir N. O'Conor to Sir Edward Grey.—(Received July 2.)

(Extract.) *Therapia, June 27, 1906.*

IN view of the apprehensions which, to judge from various letters and articles appearing in the press, appear to be widely entertained in England that the increase of the Turkish customs duties will set free other revenue that could be utilized for the promotion of foreign enterprises in Turkey which might prove prejudicial to British interests, I venture to think that the following brief observations on the question will not be inopportune:—

In undertaking to make good the deficits in the budget of the three Roumelian vilayets, under Article 12 of the Agreement with the Imperial Ottoman Bank, the Porte assumed a new financial obligation, and one which it was wholly unable to meet out of its existing revenues. Thus, in order to find the money to cover the monthly deficits of £T. 68,000 during the last fifteen months, the Government has been obliged to have recourse to temporary loans, with the result that certain revenues have been anticipated up to the end of the financial year 1907-1908.

It is unlikely that the pecuniary straits of the Imperial Government will be less in the next than in the past two years, and even supposing that the 75 per cent. of the new duties reverting to the Treasury should suffice to cover the whole of the annual deficit, which for the current year is calculated at £T. 822,500, the ordinary revenue of the country will not thereby be improved. The Government will merely be relieved of the necessity of raising temporary loans as in the past fifteen months. In these circumstances, I think that the apprehensions to which I have adverted above are based on a misconception of the situation.

No. 47.

Aide-Mémoire communicated by Musurus Pasha, July 3, 1906.

LE Gouvernement Impérial a déjà informé les Représentants des six Puissances à Constantinople qu'il a fixé le 1er (14) Septembre prochain pour la mise en vigueur de la majoration de 3 pour cent des droits d'importation Ottomans.

L'application à cette date de la majoration dont il s'agit est d'une nécessité impérieuse. Conformément à ses engagements, le Gouvernement Impérial s'est imposé de très grands sacrifices pour couvrir jusqu'à présent le déficit du budget des trois vilayets; mais ses ressources actuelles ne lui permettent pas d'y pourvoir, à défaut de la majoration qui, comme on le sait, était mise en ligne de compte lors des arrangements intervenus.

Musurus Pacha a pour instructions de son Gouvernement d'appeler sur ce point l'attention de Sir Edward Grey, et de le prier de vouloir bien aviser aux moyens d'assurer l'application de la majoration à la date précitée, ceci dans l'intérêt même du service régulier des finances des dits vilayets, et munir l'Ambassadeur Britannique à Constantinople d'instructions en conséquence.

Ambassade Impériale de Turquie, Londres,
le 2 Juillet, 1906.

(Translation.)

THE Imperial Government have already informed the Representatives of the Six Powers at Constantinople that they have fixed the 1st (14th) September next as the date for bringing into force the 3 per cent. increase of the Ottoman import duties.

The application on this date of the increase in question is an imperative necessity. In conformity with their engagements, the Imperial Government have made very great sacrifices in order to meet hitherto the deficit in the Budget of the three vilayets; but their present resources do not allow them to do so any longer without the increase which, as is notorious, was discussed at the time these arrangements were made.

Musurus Pasha has received instructions from his Government to call Sir Edward Grey's attention to this point, and to ask him to be so good as to take steps to assure

the application of the increase on the above-mentioned date, in the interest of the regular service of the finances of the said vilayets, and to instruct the British Ambassador at Constantinople accordingly.

Imperial Embassy of Turkey, London,
July 2, 1906.

No. 48.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, July 3, 1906.*

INCREASE of customs dues.

The Porte's reply is so unsatisfactory that we must communicate our views to the Powers in the form of a Memorandum. Unless it is made quite clear that the proceeds are assigned to Macedonian reforms, it will be impossible to justify the increase here. I think we must be more explicit than the draft note is on this and some other points.

No. 49.

Sir N. O'Conor to Sir Edward Grey.—(Received July 5.)

(Telegraphic.) *Constantinople, July 4, 1906.*

THE Representatives of France, Austria-Hungary, Germany, and Italy have received authorization to sign the proposed note to the Imperial Ottoman Government, copy of which was inclosed in my despatch of the 26th ultimo. It was only to-day that the draft note was forwarded to the Russian Government.

With reference to the points raised in your telegram of the 3rd instant, I would observe that, if the Porte accepts the supervision of the Public Debt as provided by the Decree of Muharrem and the "Décret-Annexe," we shall obtain a guarantee that the proceeds of the new duty will be assigned to Macedonia.

No. 50.

Sir N. O'Conor to Sir Edward Grey.—(Received July 9.)

Sir, *Therapia, July 2, 1906.*

AFTER ascertaining that the definite assurances of the Grand Vizier to provide, upon the conversion of the Priorities Loan, the £T. 85,000 required to make good the May deficit in the three Roumelian Vilayets had not been fulfilled, I again made this afternoon earnest representations to his Highness on the subject. I pointed out the deplorable effect produced by the failure of the Imperial Government to fulfil its engagement in this respect, and the certainty of the Powers being compelled, once they were assured that it was vain to rely upon the promises of the Porte, to propose some more drastic means to enforce an agreement upon which the introduction of real reforms in Macedonia was virtually based at present. His Highness' language had authorized me to assure you that the monthly subsidies would be regularly paid as soon as the conversion of the "Priorities" enabled the Government to do so, and it was with extreme regret that I had learnt that although £T. 300,000 had been placed yesterday to their credit by the Ottoman Bank, no remittance had been made to the Inspector-General. It was very painful to me to have to report this breach of faith to my Government, and I felt it my duty to warn his Highness very earnestly of the deplorable impression it would produce as a startling proof of the impossibility of relying upon even the most solemn promises of the Ottoman Government.

His Highness tried to evade a direct reply by attempting to prove that the Government's financial straits were in great measure due to the delay of the Powers in agreeing to the 3 per cent. customs increase, but as it was easy to show that such delay was owing to the hesitation, and, I may say, the tergiversation of the Porte in agreeing to our very moderate conditions, his Highness did not pursue the argument. He said that the financial requirements of Macedonia, however urgent, could not override the still more pressing demands of the rest of the Empire, for which money was

absolutely required. The salaries of the Civil Service were long overdue, and £T. 250,000 was necessary to pay a month's salary, money was immediately required for the Yemen and elsewhere, and the Government could not, though animated by the best intentions, afford to ignore their most-pressing claims. His Highness said a Financial Commission was now sitting to schedule the most urgent payments, and until they had reported on the subject it was not in his power to remit the £T. 85,000 to Macedonia.

While subsequently visiting the Minister for Foreign Affairs the Under-Secretary of State came to report the observations I had made to the Grand Vizier, and to consult with his Excellency as to what steps could be taken to obtain without delay the money required by the Macedonian Financial Commission. A long discussion ensued, and I left the Porte under the impression that at all events they would do what lay in their power in regard to this matter. But even so I cannot but regard the hesitation shown by the Imperial Government to fulfil their engagement, formally notified to the Ambassadors, as ominous of further difficulties in the near future, and I therefore suggested that an arrangement should be come to between the Government and the Ottoman Bank, by which a part of the Priorities Conversion Loan should be set aside for the Roumelian deficits of the next six months, as the only means of now reassuring the Powers of the desire of the Imperial Government to carry out Article 12 of the Agreement with the bank upon which the stability and success of the financial reforms in Macedonia were practically based.

In conclusion, I said that I thought nothing could be more calculated to make His Majesty's Government hesitate to agree to the acceptance of the proposed customs increase than a failure of the Porte to fulfil the obligations already imposed upon them by the terms of their notes to the Representatives of the Great Powers.

I have, &c.
(Signed) N. R. O'CONOR.

No. 51.

Sir N. O'Conor to Sir Edward Grey.—(*Received July* 9.)

Sir, *Therapia, July* 2, 1906.

IN continuation of my immediately preceding despatch, I have the honour to report that I questioned the Grand Vizier to-day as to a rumour I had heard to the effect that a proposal had been made to the Council of the Debt for the collection of the 3 per cent. customs duty by the Customs Administration, who would, after deduction of the 75 per cent. coming to the Government, pay over the remaining 25 per cent. to the Debt.

I said that any arrangement of the kind was absolutely inadmissible. As matters stood His Majesty's Government considered that the wording of our note in regard to the control by the Debt was not sufficiently explicit, and that they had only consented to it on the distinct understanding that the Sublime Porte would arrange with the Council of the Debt for their direct supervision over the receipts and appropriation of 75 per cent. of the sum collected for the requirements of Macedonia, and that it was only upon this condition that His Majesty's Government could at all agree to the new duty.

His Highness said that no official proposals of the kind had been made to the Council of the Debt, but that he hoped in a few days negotiations would be concluded with the Minister of Finance and the matter settled in accordance with our demands.

I replied that if this were not so I was confident His Majesty's Government would not agree to the levy of the new duty upon British imports, and I understood that the assent of the other Powers was also based upon the administration of the Debt being placed in the position provided by the Decree of Mouharrem and the "Décret-Annexe" of 1903, which was the only practical means at present of giving the "effective guarantee" for the regular collection and appropriation of the tax required by the Powers as a condition of their consent.

I have, &c.
(Signed) N. R. O'CONOR.

No. 52.

Memorandum communicated to the Powers, July 10, 1906.

HIS Majesty's Government have had under consideration the reply received from the Sublime Porte to the collective note of the 28th May from the Representatives of the Powers at Constantinople, stating the conditions upon which the Powers would be willing to assent to an increase of the Turkish import duties from 8 per cent. to 11 per cent. *ad valorem* for a period of seven years in order to make good the deficit in the Budget of the three Macedonian vilayets.

In the opinion of His Majesty's Government the note from the Sublime Porte is unacceptable on the following three points :—

1. No mention is made of any effective guarantee that the proceeds of the surtax accruing to the Turkish Government shall be devoted to the requirements of the Macedonian Budget.

2. The Turkish Government only agree to make good the deficit in the Macedonian Budget in so far as the proceeds from the surtax may enable them to do so.

This position is quite untenable, the Porte having already undertaken, by Article XII of the Règlement prepared in conjunction with the Ottoman Bank in March 1905, to make good any deficit which might arise in the Macedonian Budget. This engagement was, moreover, the principal inducement which caused the Powers to agree to the inclusion of the military expenditure in the provincial Budget.

3. The Porte object to the limitation to seven years of the surtax, and propose that it shall continue to be levied until new Treaties of Commerce have been concluded with the Powers.

In view of the unsatisfactory nature of this reply, and of the recent failure on the part of the Turkish Government to fulfil their engagement to make good the deficit on the Macedonian Budget, His Majesty's Government are of opinion that the moment has now come to review the situation which has arisen, and to reconsider the terms upon which the assent of the Powers might be given to the proposed increase of the Turkish import duties.

The attitude of the Sublime Porte during the course of the present negotiations has been such as to prove the necessity of decided action on the part of the Powers interested, if they wish to obtain the realization of the proposed scheme of reforms in Macedonia. With a view to eliminating any doubts as to the nature of their demands, His Majesty's Government, after mature consideration, desire to urge upon the Powers the following conditions as essential to safeguard their collective interests before agreeing to the imposition of the surtax upon imports of foreign goods into Turkey.

These conditions may be summarized as follows :—

(1.) Fulfilment by the Porte of their engagements in regard to the amendment of the mining law, improvements in the Customs regulations and custom-house accommodation, chemical analysis, storage of petroleum, &c. Guarantees must be given that the required improvements in the administration and accommodation of the custom-houses will be carried out, while the text of the new mining law and of the regulations in regard to chemical analysis must be officially communicated to the Representatives of the Powers, and any doubt as to the application of the new mining law to existing interests must be removed.

(2.) An effective guarantee that the amount accruing to the Turkish Government from the increase of the import duties should be properly collected and exclusively devoted to the Budget of the three vilayets and be paid into the Ottoman Bank for the service of the Treasury in the three vilayets. The obligation of the Porte to provide for the whole of the deficit in the Budget of the three vilayets in virtue of Article XII of the Règlement agreed upon between the Porte and the Ottoman Bank should be reaffirmed, and it must be made clear that in the event of there being an excess of revenue over expenditure in any year the surplus should form a reserve not to be applied to other purposes without the consent of the Powers.

(3.) The surtax not to be put into force until two months subsequent to the conclusion by the Powers of an agreement with the Sublime Porte on the subject.

(4.) The period of seven years as the time to which the increased duty is limited to be maintained.

(5.) No increase to be made in the amount of military expenditure charged on the Macedonian Budget. It may even be a matter for consideration by the Powers whether

representations should not be addressed to the Sublime Porte urging the desirability of reducing the inordinate number of Ottoman troops now quartered in the three vilayets, or at any rate of stipulating that the whole amount of their cost should not be charged upon the Macedonian Budget, as a considerable number of these troops must be required for defence of the frontier, and should therefore be a general charge upon the Empire.

(6.) The demands made by the Representatives of the Powers in their joint note of the 5th March, relating to the right of intervention of the gendarmerie and to other police measures to be unconditionally accepted by the Porte, this being a matter in which the Porte has gone back from what it was understood to have conceded originally.

It is evident that, even if these conditions are accepted by the Sublime Porte, a considerable time must necessarily elapse before the increased revenues will be available for the service of the Macedonian Budget. In the meantime a situation full of danger to the success of the Financial Commission in promoting reforms in Macedonia has arisen from the failure of the Turkish Government to meet the deficit in the Budget of the three vilayets, and it has become a matter of imperative necessity for the Powers to exert such pressure upon the Turkish Government as may compel them to make good the existing deficit. Unless the Porte are willing to apply to this purpose sums of money available from other sources, His Majesty's Government would suggest to the other Governments concerned that a joint communication should be addressed by their Representatives to the Turkish Government, calling upon them to reduce *pro tanto* the amount of military expenditure chargeable to the Macedonian Budget in order to maintain financial equilibrium.

Foreign Office, July 10, 1906.

No. 53.

Sir Edward Grey to Musurus Pasha.

Your Excellency, *Foreign Office, July* 13, 1906.

I HAVE had under consideration the *aide-mémoire* left by your Excellency at this Department on the 2nd instant, in which you stated that it is the intention of the Ottoman Government to raise the duty on imports into the Turkish Empire from 8 per cent. to 11 per cent., and that it is proposed to bring the augmented Tariff into force on the 1st (14th) September next.

I have the honour to inform your Excellency, in reply, that, in view of the unsatisfactory nature of the note which has been received from the Sublime Porte by the Ambassadors of the Powers at Constantinople in reply to the collective note addressed by their Excellencies to the Ottoman Government on the 28th May last, stating the conditions upon which the Powers were prepared to give their assent to the proposed increase, and having regard to the failure of the Turkish Government to comply with the terms of Article 12 of the "Règlement" agreed upon between them and the Imperial Ottoman Bank in March 1905, His Majesty's Government are compelled to reconsider the whole question, and are consequently unable to give their consent to the increase of the Turkish import duties from 8 per cent. to 11 per cent. from the 1st (14th) September next.

I have, &c.
(Signed) EDWARD GREY.

No. 54.

Sir Edward Grey to Mr. Whitehead.

Sir, *Foreign Office, July* 13, 1906.

I REMARKED to Count Metternich to-day that I heard the Foreign Minister in Berlin had asked why we could not sign the draft note to the Porte on the customs duties.

Our reason would be explained by the Memorandum I had sent round.

From the beginning Lord Lansdowne had stipulated that our consent to the increase of the customs dues must be dependent upon the money being required for Macedonian reform, and used for that purpose. There was so much opposition in

England to the increase that it was essential for me to have this point made quite clear to the Porte before our consent could be given. This was the main point. We had originally made other stipulations on matters of detail, regarding custom-houses and so forth, to which the Porte had agreed, and to which we must adhere, but the Porte at present showed no sign of carrying them out. I had also proposed a new condition with regard to the proper recognition of the rights of the gendarmerie in Macedonia. But this condition was not really a new one, because it was understood from the beginning that these rights belonged to the gendarmerie, and the attempt on the part of the Porte to deprive them of these rights, and its refusal to answer the notes which the Embassies had sent in some months ago, surely justified us in raising the point.

Count Metternich said he was not familiar with the details of these matters, but one point in our Memorandum which had struck him was the proposal to reduce the military force of the Porte in Macedonia. This, he thought, was hardly reasonable, in view of the fact that it was required to keep down the bands.

I said the 80,000 men kept by the Porte in Macedonia were in excess of what was required to deal with the bands. A much smaller force would be quite sufficient, if properly used. It might be that the Porte required a large military force to protect its frontier. No one could object to that, but the whole of the charge for this force should not be laid on the three vilayets. As a matter of fact, we had proposed no restrictions on the size of the force which might be kept in Macedonia. All we had suggested was that the amount of the cost charged to the Macedonian Budget should be reduced, or, at any rate, not increased beyond its present amount.

I am, &c.
(Signed) EDWARD GREY.

No. 55.

Sir Edward Grey to Sir N. O'Conor.

Sir, *Foreign Office, July* 17, 1906.

I HAVE received your Excellency's despatch of the 2nd instant on the subject of the 3 per cent. increase of customs duties and Macedonian finances, and reporting the representations which you have made to the Grand Vizier respecting the failure of the Porte to fulfil its obligations.

I approve the language which you held to his Highness on this occasion.

I am, &c.
(Signed) EDWARD GREY.

No. 56.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, July* 23, 1906.

YOU should consult with your colleagues as to addressing a new note to the Porte embodying the conditions as stated in our Memorandum of the 10th July, as their reply is neither satisfactory nor explicit.

No. 57.

Sir N. O'Conor to Sir Edward Grey.—(Received July 24.)

Sir, *Therapia, July* 19, 1906.

I HAVE the honour to transmit herewith a Memorandum from the Sublime Porte in regard to the 3 per cent. customs duty, which was sent yesterday to the Austro-Hungarian Ambassador for communication to his colleagues.

The declarations of the Porte are obviously insufficient, but my colleagues do not propose to hold a meeting to discuss its contents until they learn the views of their Governments in regard to the Memorandum which you intended to present to them on the 11th instant.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 57.

Memorandum.

EN complément de sa réponse du 20 Juin dernier, relative à la majoration de 3 pour cent des droits de douane, la Sublime Porte fait les déclarations suivantes :—

Les nouveaux Règlements sur les Analyses et l'Emmagasinage du Pétrole ont déjà été mis en vigueur. Un récent Décret ordonne également l'application de la nouvelle Loi sur les Mines. Quant au Règlement Douanier, les diverses questions qui s'y rattachent ont été résolues ainsi qu'il a été exposé dans le Mémorandum annexé à la Note Verbale du Ministère Impérial en date du 9 Mars dernier.

Les deux seuls points restés en suspens ont été étudiés et le Gouvernement Impérial donne l'assurance qu'ils recevront bientôt une solution satisfaisante.

Les sommes encaissées du chef de la majoration seront versées à l'Administration de la Dette Publique Ottomane et les 75 pour cent qui resteront à la disposition du Gouvernement Impérial seront consacrés à combler le déficit du Budget des trois Vilayets de Salonique, Kossovo, et Monastir, et en cas d'insuffisance la Sublime Porte accomplira l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Impériale Ottomane et confirmé par sa note adressée aux six Ambassadeurs sous la date du 14 Décembre, 1905.. La garantie effective mentionnée dans la note collective de leurs Excellences MM. les Représentants des Puissances en date du 15 (28) Mai se trouve ainsi assurée.

La Sublime Porte, le 18 *Juillet*, 1906.

(Translation.)

SUPPLEMENTARY to its reply of the 20th June last relative to the 3 per cent. customs duties increase, the Sublime Porte makes the following declarations :—

The new "Règlements" respecting Customs analysis and storage of petroleum have already come into force. A recent Decree equally decrees the application of the new Mining Law. As regards the Customs "Règlement," the various questions which are connected with it have been settled, as shown in the Memorandum annexed to the *note verbale* from the Imperial Ministry of the 9th March last.

The only two points outstanding have been examined, and the Imperial Government give an assurance that they shall soon receive a satisfactory settlement.

The sums encashed on account of the increase shall be paid to the Administration of the Ottoman Public Debt, and the 75 per cent. remaining at the disposal of the Imperial Government shall be devoted to making good the deficit in the Budget of the three Vilayets of Salonica, Kossovo, and Monastir, and in the event of insufficiency the Sublime Porte will carry out the engagement contained in Article 12 of the "Règlement" agreed upon between it and the Imperial Ottoman Bank, and confirmed by the note which it addressed to the six Ambassadors on the 14th December, 1905. The effective guarantee mentioned in the collective note of their Excellencies the Representatives of the Powers, dated the 15th (28th) May, is thus assured.

The Sublime Porte, July 18, 1906.

No. 58.

Sir N. O'Conor to Sir Edward Grey.—(Received July 24.)

Sir, *Therapia, July* 20, 1906.

WITH reference to my despatch of the 2nd instant, I have the honour to report that I learn that negotiations are on foot between the Sublime Porte and the President of the Ottoman Public Debt Administration with a view to complying with the demand of His Majesty's Government in regard to the control and supervision by the Public Debt of the collection of the proceeds of the proposed 3 per cent. increase in the Turkish customs duties.

According to this arrangement, if carried into effect, the Public Debt will have the right of controlling and verifying the daily receipts of the customs, and at the end of each week the sums received will be paid over to the Representative of the Debt, who will transmit the amount to the Imperial Ottoman Bank in order that 75 per

cent. may be paid to the Exchequer of the three Macedonian vilayets and the balance to the credit of the Ottoman Public Debt.

On being asked my opinion as to this arrangement, I said that it seemed to me satisfactory so far as it went, in so much as it secured the effective supervision by the Debt, but that it would require to be supported by a formal Agreement which would not only stipulate for the Imperial Ottoman Bank applying the 75 per cent. of the receipts to the Macedonian Budgets, but also undertaking, in virtue of a separate engagement to be concluded with the Sublime Porte, to make good the deficit in the Budgets of the Vilayets of Salonica, Kossovo, and Monastir. I understand that either the Debt or the Bank will be willing to give this undertaking on the condition that such advances as may be required for the purpose will be secured on the surplus of the ceded revenues of the Debt.

The negotiations are not, however, far enough advanced to enable me to speak with certainty of the result, but I will not fail to report again on the subject as soon as a definite conclusion has been arrived at.

I have, &c.
(Signed) N. R. O'CONOR.

No. 59.

Sir Edward Grey to Sir E. Goschen.

Sir, *Foreign Office, July 25, 1906.*

I TOOK an opportunity to-day of telling the Austro-Hungarian Ambassador that we had sent instructions to Sir N. O'Conor to consult with his colleagues as to the increase in the Turkish customs dues.

Count Mensdorff asked me what we considered unsatisfactory in the last Turkish note.

I said that the note had left indefinite some points in connection with the Customs Regulations, and had offered no guarantee whatever that the increased duties would be properly collected.

But besides this, I was strongly of opinion that we must have some control over the deficit in Macedonia, otherwise the Porte might at any time increase the deficit by increasing the number of troops in Macedonia, and the proposed increase and all other available money would be swallowed up more and more by military expenditure, and civil expenditure would be more and more starved.

We raised no objection to the number of troops which the Porte might think necessary to keep in Macedonia, provided the amount of the military expenditure charged to the Macedonian Budget was not increased. We had no wish to interfere with military affairs, but it was essential for Macedonian reform that we should make the necessary stipulations about the financial arrangements.

I am, &c.
(Signed) EDWARD GREY.

No. 60.

Sir N. O'Conor to Sir Edward Grey.—(Received July 30.)

Sir, *Therapia, July 24, 1906.*

IN continuation of my despatch of the 20th instant, I have the honour to report that the negotiations between the Administration of the Public Debt and the Porte as to the control to be exercised by the former over the collection of the additional 3 per cent. customs duties are making very satisfactory progress.

2. In a letter to the Ottoman Commissary on the Debt, copy of which has been communicated officially to the Council of the Debt, the Minister of Finance has admitted in principle the claims of the Debt to supervise the encashment of the surtax, and consented to submit the receipt ledgers of the Customs, both central and local, to the inspection of officials to be appointed by the Debt for the purpose, as is done in the case of the sheep tax collected by the Debt in certain vilayets. The wording of the letter, however, is thought by the Council to be scarcely sufficiently precise, and they are about to address a reply to the Minister of Finance, clearly specifying their requirements on three points of importance, viz., that the additional

duties are to be encashed by the officials to be placed in the custom-houses by the Debt; that the sums so encashed are to be paid by the Debt to a special account at the Imperial Ottoman Bank, with instructions that 75 per cent. thereof is to be held "à la disposition de qui de droit" as an advance made without interest to the Government pending the closing of the books of the Debt for the year; and lastly, that the Debt's officials at the Customs shall have access to all books relating to imports.

3. I have every reason to believe that the Porte will give its adhesion on these points, and it will then remain for the Porte and the Debt to draw up a detailed Agreement giving them effect. I presume that the conditions which the Council of the Debt is willing to accept as adequate to safeguard the interests of the bondholders will be considered by His Majesty's Government as sufficient to fulfil our requirements as to the proper collection of the new duties. The employment of the proceeds thereof towards making good the deficit on the Macedonian Budgets—to which, moreover, allusion is to be made in the Debt's reply to the Minister of Finance—is already assured by the declaration in the Porte's notes of the 21st ultimo and the 18th instant.

4. I am not yet able to speak with an equal degree of confidence as to the attitude of the Porte in regard to the condition mentioned in the latter part of my despatch above mentioned, viz., that the Government should enter into a formal agreement to make good the totality of the deficit on the Roumelian Budget out of the surplus revenues (estimated at £ T. 600,000) collected by the Debt; but this is a point which will be considered at the approaching meeting of Ambassadors, with a view to obtaining a material guarantee for the regular covering of the deficit in accordance with the wishes of His Majesty's Government.

I have, &c.
(Signed) N. R. O'CONOR.

No. 61.

*Sir Edward Grey to Sir F. Bertie.**

(Telegraphic.) *Foreign Office, July* 31, 1906.

THERE appears to exist some misunderstanding as to His Majesty's Government's intentions in raising the question of Turkish military expenditure in Macedonia in connection with the question of the increase of the customs duties (see condition 5 in our Memorandum of the 10th July).

You should point out to the Minister for Foreign Affairs that all we have stipulated for is that the amount of military expenditure charged on the Macedonian Budget should not be increased. Without some such stipulation the Macedonian Budget may in future years be so manipulated as to prevent civil reforms in Macedonia deriving any benefit from the increase in the customs, thereby defeating one of the most important conditions originally laid down as necessary for our consent.

You should at the same time make it quite clear that we do not in any way wish to interfere with the military measures or expenditure which the Porte may consider necessary for the defence of the Empire.

Our objections are directed against an excessive share of the military expenditure being charged to Macedonia, a course which would starve the civil administration and impede the execution of the reform programme on which the Powers are agreed.

Frontier defence should, as stated in our Memorandum, be a general charge on the Empire.

No. 62.

Memorandum communicated by Austro-Hungarian and Russian Ambassadors, August 1, 1906.

LES deux Gouvernements de l'entente, après mûr examen du Mémorandum Britannique du 10 Juillet formulant les conditions auxquelles doit être soumis le consentement des Puissances à la majoration des droits d'entrée Turcs, se font un devoir de porter à la connaissance du Cabinet de Londres les considérations suivantes.

La Sublime Porte a tout dernièrement complété sa note responsive du 20 Juin par

* Also to Sir A. Nicolson, Mr. des Graz, Sir E. Goschen, and Sir F. Lascelles.

des Déclarations qui viennent au-devant des réclamations qui lui ont été adressées par les Puissances et qui sont prévues par les points 1er et 2 du Mémorandum du 10 Juillet. Il paraîtrait donc superflu de revenir sur ces réclamations. Par contre, il semble absolument nécessaire de maintenir les points 3 et 4 du Mémoire Anglais, à savoir: mise en vigueur de la surtaxe deux mois après l'entente intervenue entre les Puissances et la Porte et la limitation à sept ans du maintien de cette surtaxe. En ce qui concerne le point 5, il semble douteux que l'on puisse utilement mettre sur le tapis le projet de réduction des troupes Turques en Macédoine. En voulant limiter la liberté d'action de la Turquie les Puissances faciliteraient les menées révolutionnaires et assumeraient par là une grande responsabilité. La question qui fait l'objet du point 6 du Mémorandum Anglais ne touche pas à la réforme financière qui attire actuellement en premier lieu l'attention des Puissances. L'exécution des vœux émis par les adjoints militaires serait certainement très désirable, mais il semble dans les conditions présentes que l'on devrait éviter avant tout de compliquer les négociations se rattachant au régime financier en Macédoine. Il paraît donc préférable de faire des réclamations mentionnées au point 6 l'objet d'une démarche séparée des Puissances en l'amplifiant par la demande de fournir un contingent suffisant de recrues gendarmes.

En résumant les observations qui précèdent il est permis de conclure que les points 1er et 2 du Mémorandum Anglais ont déjà reçu satisfaction; que les points 3 et 4 reproduisent des réclamations qui ont déjà été adressées à la Porte par les Puissances et qui seront certainement maintenues par elles; que le point 5 paraît perdre toute valeur pratique en présence des considérations susmentionnées; et qu'enfin, le point 6 devrait faire l'objet d'une démarche spéciale. Dans ces conditions, les deux Gouvernements se demandent s'il ne serait pas préférable de reprendre à Constantinople les négociations interrompues par la discussion entre les Cabinets du dernier Mémorandum Anglais.

(Translation.)

THE two Governments of the *entente*, after carefully considering the British Memorandum of the 10th July stating the conditions on which should depend the consent of the Powers to the increase of the Turkish import duties, beg to bring to the notice of the Cabinet of London the following considerations.

The Sublime Porte has quite recently supplemented its note of reply of the 20th June by declarations which exceed the demands which have been made to it by the Powers, and which are covered by points 1 and 2 of the Memorandum of the 10th July. It would appear, therefore, unnecessary to discuss these demands. On the other hand, it seems absolutely necessary to keep points 3 and 4 of the English Memorandum—that is to say, bringing into force the surtax two months after the agreement come to between the Powers and the Porte, and the limiting to seven years of the maintenance of this surtax. With regard to point 5, it seems doubtful whether any good purpose would be served by putting forward the scheme for the reduction of Turkish troops in Macedonia. By trying to restrict the liberty of action of Turkey the Powers would facilitate revolutionary agitation, and would thereby assume a grave responsibility. The question dealt with in point 6 of the English Memorandum does not touch upon financial reform, with which at present the Powers are chiefly concerned. To give effect to the *desiderata* formulated by the military adjoints would certainly be very desirable, but it appears in existing circumstances that above all nothing should be done which could complicate the negotiations about the financial régime in Macedonia. It appears, therefore, preferable to make the demands mentioned in point 6 the subject of a separate *démarche* on the part of the Powers, amplifying it by demanding an adequate supply of gendarmerie recruits.

In summarizing the preceding observations it is permissible to conclude that points 1 and 2 of the English Memorandum have already been satisfied; that points 3 and 4 recapitulate demands which have already been made to the Porte by the Powers, and which will certainly be maintained by them; that point 5 would seem to lose all practical value, in view of the considerations above mentioned; and that, lastly, point 6 should form the subject of special action. In the circumstances, the two Governments would suggest resuming at Constantinople the negotiations interrupted by the discussion between the Cabinets of the last English Memorandum.

No. 63.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, August* 1, 1906.

THE Russian and Austro-Hungarian Embassies have communicated a Memorandum in which our Memorandum of the 10th July is partly criticised and partly accepted. In order that you may discuss with your colleagues the preparation of a joint note to the Porte, the reply which we are preparing will be sent to you. His Majesty's Government must adhere, however, to the points in their Memorandum of the 10th July as now understood.

No. 64.

Sir N. O'Conor to Sir Edward Grey.—(*Received August* 3.)

Sir, *Therapia, July* 27, 1906.

I HAVE the honour to transmit to you herewith copy of a Memorandum prepared by the Commercial Attaché of the Embassy, containing information relative to the appointment of analysts in the principal ports of Turkey, and to the improvements in the service and accommodation of the custom-houses.

It will be seen that steps have been taken for the appointment of twenty analysts and a bacteriologist, but owing to the difficulty of obtaining suitable men only the custom-houses of Galata and Salonica are as yet provided with their proper personnel, and at the other ports the duties of analyst are being performed by the municipal doctor as provided for by Article 2 of the Chemical Analysis Regulations. Appointments to other places, viz., Smyrna, Beirout, Trebizond, Alexandretta, Jaffa, and Tripoli (Africa) have, however, been made, and only require confirmation to enable the nominees to take up their posts. It remains, therefore, to find analysts for the ports of Stamboul, Ineboli, Jeddah, Bussorah, Santi Quaranta, Durazzo, Scutari, and Isvitli Buria (Salonica).

As regards improvements in the service of the custom-houses, Mr. Weakley is able to report with reference to the five points on which I consider that our requirements have been satisfied that an experiment made at the Galata Customs to test the rapidity with which goods could be cleared shows that the officials carry out the instructions of the Central Administration.

The other three points have been under the consideration of a Special Commission, and Mr. Weakley states that for the increased accommodation in certain custom-houses a credit of £ T. 100,000 has been authorized by Imperial Iradé. Nearly £ T. 8,000 of this has been allocated for the immediate construction of buildings at fourteen places, and new buildings have been actually erected at Scutari (Albania). The plans and estimates for the extra warehouses, &c., at the other places are still under consideration, but I am pressing the Porte to come to a decision and put the work in hand without delay.

As regards increase of personnel, appropriations for 99,305 piastres per mensem have been made for this purpose; seventy-seven new officials have already been appointed, of whom thirty-four are for the Smyrna Customs and thirty for Galata and Stamboul.

Apart, therefore, from the porterage question, in which little progress has been made, but the urgency of which is being pressed on the Director-General of Customs, it appears to me that we have no reason to be dissatisfied with the measures taken by the Porte to fulfil our requirements.

It is not unnatural that in a country such as this some difficulty should be encountered in finding the requisite number of properly qualified men to act as analysts, but the Porte seems to be alive to the necessity of loyally executing the new Regulations as to Chemical Analysis. The appropriation of moneys for increased Customs accommodation is a very satisfactory fact. It is true that at the most important custom-houses, viz., those of Smyrna and Constantinople, little progress has been made, but it must be remembered that works of the size required at these places demand careful study before being executed, and I do not think that we have as yet any legitimate ground of complaint on the score of delay.

I am giving a copy of Mr. Weakley's Memorandum to each of my colleagues, in

order that at our next meeting, which is to take place on the 1st proximo, we may discuss how far our demands have been complied with, and whether we should not insist that the Porte shall inform us officially that the necessary measures for providing the proper complement of analysts and personnel and for the settlement of the porterage question have been authorized by Iradé.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 64.

Memorandum by Mr. Weakley.

WITH reference to the information desired by the Board of Trade in their [redacted] of the 3rd instant, copy of which is inclosed in the Foreign Office despatch o[redacted] 11th instant, I have the honour to submit the following details which have obtained from the Central Customs Administration:—

Appointment of Analysts at the Customs.

In accordance with the provisions of Article 2 of the Regulations concerning Chemical Analysis, the Customs Administration some time ago decided upon the appointment of competent analysts at the following places:—

Name of Place.	Number Appointed.	Salary per Month.
		Piastres.
Stamboul	One chief analyst	2,000
„	Three analysts .. each	1,500
Galata	„ .. „	1,500
„	One bacteriologist	1,500
Trebizond	One analyst	1,000
Ineboli	„	1,000
Smyrna	„	1,000
Beirout	„	1,000
Jaffa	„	1,000
Alexandretta	„	1,000
Jeddah	„	1,500
Bussorah	„	1,500
Salonica	„	1,000
„ (Isvitli Buria)	„	1,000
Santi Quaranta	„	1,000
Durazzo	„	1,000
Tripoli in Barbary	„	1,500

The applications received by the Customs Administration from civilians as well as from military medical men for employment in the Analytical Department of the Customs have been comparatively few, especially so from the civilian element, and the examinations which all the candidates had to pass before a Commission nominated for this purpose considerably reduced the number of men eligible for the newly created posts. The successful candidates, mostly military men and graduates of the Imperial School of Medicine, have already been nominated to the custom-houses at Smyrna, Trebizond, Beirout, Alexandretta, Jaffa, and Tripoli in Africa. Owing, however, to the fact of the new men being of military rank, their appointment by the Customs to these new posts must receive Imperial sanction before they can enter upon their duties, and although the Minister of Customs has taken the necessary measures at the Porte for obtaining the confirmation of the appointments, no Iradé has, so far, been forthcoming. It has therefore been impossible to send these new officials to their respective posts, and, in the meantime, the formalities enjoyed by the Regulations on Chemical Analysis are, in the absence of the proper personnel, being at present carried out in accordance with the stipulations of paragraph 2 of Article 2 of these Regulations by the doctors attached to the municipalities of the ports mentioned.

The Central Customs have appointed a civilian to this custom-house, and this official is now at his post.

Constantinople.—The staff of the laboratories at the Galata and Stamboul custom-

houses is to be composed of six analysts (three to each laboratory) with a chief analyst and a bacteriologist. No proper accommodation being available at the present Customs buildings at Stamboul for fitting up a laboratory, the formalities connected with the chemical examination of goods imported through Constantinople have all to be gone through on the Galata side, which is now provided with a laboratory, and has a staff composed of one chief analyst and three subordinates.

The Customs Administration have therefore still to provide the personnel for the following custom-houses: Stamboul, Ineboli, Jeddah, Bussorah, Scutari in Albania, Isvitli Buria, Santi Quaranta, and Durazzo.

It may therefore be said that, with the exception of Galata and Salonica, the custom-houses at all the other ports are still unprovided with the necessary personnel, and that the duties of analyst are, for the present, discharged at the various ports by the doctors attached to the municipalities of those ports.

Improvements in the Customs Administration.

The *note verbale* addressed to the Porte by His Majesty's Embassy on the 18th January last demanded the carrying out of several reforms in the Custom-house. These reforms were:—

1. The providing of increased accommodation at the custom-houses of Galata, Stamboul, Salonica, Beirout, Jaffa, Alexandretta, Mersina, Bussorah.
2. General increase of personnel.
3. The satisfactory settlement of the porterage question.
4. Longer business hours.
5. Reasonable levying of the "Ardié" (storage dues).
6. Facilities for the "visite douanière."
7. Abolition of weighing charges.
8. Exemption of samples of no value from import duty, and the settlement of the question of the re-export of samples of value brought by commercial travellers and return of duty paid in deposit.

Replying on the 9th March last, the Porte stated that immediate satisfaction had been given in respect of—

No. 4.—By a Circular issued on the 14th (27th) January which called the attention of Customs officers to Article 4 of the "Règlement Douanier," and which prescribes the official hours of attendance at all Customs departments. Superior officers were enjoined to see that the conditions of the "Règlement" in this respect were strictly observed. The Porte further stated that the Customs Administration would take immediate steps to remedy any breach of the Regulations brought to its notice by merchants.

No. 5.—With regard to this point, the Porte's note stated that a departmental Circular issued on the 14th (27th) January defined the law with regard to the levying of "Ardié" (storage dues). Goods are allowed eight days' free storage in the Customs warehouses. Should traders claim their goods within the eight days, and not be able to obtain or clear them, an annotation must be made on the "delivery note" giving the reasons for which the goods have not been delivered. In such cases "Ardié" will not be levied should the goods be detained for more than eight days.

Although not mentioned in the Circular, it is understood that orders were also issued to the effect that feast days—that is, days when the Customs offices are closed —are not to be included in the period for which "Ardié" may be charged.

No. 6.—Categoric instructions were sent on the 14th (27th) January to the head officials of the custom-houses, urging them to take every step for securing rapidity in the accomplishment of Customs formalities. The Customs Administration had, the Porte stated, decided to organize a strict surveillance over the Customs officials, in order that the public should be given no cause for complaint.

No. 7.—It would appear from the result of a special inquiry made at the Customs that no charge is made for weighing goods. A small charge seems, however, to be made by the porters for lifting goods on and off the scales, and this question was to be considered in conjunction with the porterage question.

No. 8.—A Circular of the Central Customs, dated the 14th (27th) January, exempts all patterns and samples of no value from import duty. Samples of value brought by commercial travellers are to be charged import duty, which is to be

received in deposit. Commercial travellers leaving the country within six months after their arrival will receive the refund of 7 per cent. of the duty paid in deposit at the custom-house of the port of departure.

The above measures, which have been adopted by the Customs in order to satisfy His Majesty's Embassy on five out of the eight points, are of a nature to mitigate some of the difficulties under which trade has hitherto laboured, and it may be stated that a case taken up some time ago in order to test the rapidity with which goods could be cleared through the Galata Customs under the new arrangements showed that the officials carry out the instructions given by the Central Department.

The three remaining points which await solution are—

1. The providing of increased accommodation at various custom-houses.
2. General increase of personnel.
3. The settlement of the porterage question.

These questions have been under the consideration of a Special Commission, and I have been informed by his Excellency Hassan Fehmi Pasha, the Minister of Customs, that the recommendations of the Commission for effecting the necessary improvements have been approved of, in principle, by the Sublime Porte.

1. With regard to increased accommodation, an Impérial Iradé has been issued authorizing credits to the amount of nearly £ T. 100,000 for the purpose of meeting expenditure entailed in the construction of new buildings, and provision for this expenditure is to be made in the Customs Budget for the next financial year, 1323 (1907). Instructions have been given to the Directors of the various custom-houses for the preparation and forwarding to the Central Office of plans and estimates of the new structures required in their respective Customs. As soon as these are received they are examined by the Commission and then submitted to the Porte for approval. Information obtained at the Customs Department shows that the Porte has approved of the immediate construction of buildings at the following places, and the necessary appropriations have been granted:—

Name of Place.	Cost.
	Piastres.
Salonica and district—	
Karalovo	37,607
Kara Aghadj	30,000
Dévébaghurdan	38,139
Brakovo, Avramova, Karatash	96,000
Tchai Aghzi	6,856
Bagdad—Moussuller Han	19,477
Akka	41,800
Saida	45,815
Trebizond	8,075
Rodosto	10,000
Samsoun	17,456
Alexandretta	89,000
Rhodes	76,900
Adrianople district—Karaguzel, Kilissa Koulé, Paliokara	278,116
Haidar Pasha district, Dérindjé	

The new buildings for the custom-house in Scutari in Albania have already been erected at a cost of 31,548 piastres.

Sanction for the new buildings to be erected on the sites of the present custom-houses of Galata and Stamboul, as well as those at Smyrna, Beirout, Salonica, Benghazi, Bussorah, Ismidt, and Mudania, has not so far been obtained from the Porte, as the plans and estimates received from some of these places are still under consideration.

2. *Increase of Personnel.*—Provision has, I am informed, been made for increasing the number of officials at the various custom-houses, and this increase will involve an additional expenditure of 99,305 piastres per month. This expenditure has been sanctioned, and the Central Administration has only now to make the necessary appointments. The following additions to the personnel of some of the custom-houses have already been made:—

Name of Place.	Officials.
Smyrna and district, Foreign Goods Department	32
„ „ „ Native Goods Department	2
„ Island of Simni	2
Salonica and district..	5
Adrianople and district	2
Dédéaghadj	3
Rodosto	1
Stamboul and Galata	30

Appointments have yet to be made to the custom-houses of Trebizond, Samsoun, Ineboli, Beirout, Jaffa, Mersina, Alexandretta, Lattakia, Ghazza, Scutari in Albania, Yemen, and Tripoli in Barbary.

3. *Porterage Question.*—This has been under the consideration of two separate Commissions, one in Smyrna and the other at the Central Customs. The reports of the two Commissions have been submitted to the Porte and have been referred to the Council of State. No decision appears to have been come to in the matter.

Constantinople, July 24, 1906.

No. 65.

Mr. des Graz to Sir Edward Grey.—(Received August 3.)

(Telegraphic.) *Rome, August* 2, 1906.

YOUR telegram of the 31st ultimo : Increase of Turkish customs duties.

I have made communication to the Under-Secretary for Foreign Affairs, who clearly understands your views.

The Italian Government consider that the essential point is to come to an early understanding regarding the surtax, without which the Macedonian Budget cannot be balanced. The instructions which their Ambassador at Constantinople has are that he should endeavour to remove difficulties and to concert with his colleagues as to the best mode of inducing the Porte to accept the conditions of the Memorandum of the 10th July.

No. 66.

Memorandum communicated to Russian and Austro-Hungarian Ambassadors, August 4, 1906.

HIS Majesty's Government have carefully considered the Memorandum which the Russian / Austro-Hungarian Ambassador was good enough to hand to Sir E. Grey on the 1st instant, embodying the views of his Excellency's Government on the proposals put forward by His Majesty's Government in their Memorandum of the 10th July respecting the proposed increase of the Turkish import duties from 8 per cent. to 11 per cent.

With regard to the first set of conditions therein formulated, His Majesty's Government recognize that the assurances given by the Turkish Government in their note of the 18th July can be considered as giving some degree of satisfaction to these demands, but they are of opinion that it is still necessary to insist that the text of the Regulations for chemical analysis should be officially communicated by the Porte to the Embassies at Constantinople ; and further, that the text of the new Mining Law should be similarly communicated, with an assurance that it will be applicable to existing interests.

In respect to the second condition laid down in their Memorandum, His Majesty's Government are unable to share the view of the two Governments that the complementary declarations of the Sublime Porte of the 18th July, provide the "effective guarantee" asked for. This reasonable demand, which had already been put forward by the Powers, would, in the opinion of His Majesty's Government, be satisfied if the Ottoman Public Debt Administration were intrusted with the verification of the

collection of the surtax, and were charged by the Turkish Government to pay the available proceeds to the Ottoman Bank for the service of the Treasury in the three vilayets. The mere assurance of the Sublime Porte, contained in their Memorandum of the 18th July, that the amount received from the surtax will be handed over to the Debt Administration, and will be used to meet any deficit in the Macedonian Budget does not give any more effective guarantee than the engagement already contained in Article 12 of the "Règlement" agreed upon with the Ottoman Bank.

Again, the proposal that any surplus should not be applied to other than Macedonian purposes without the consent of the Powers is equally necessary in order to ensure the practical application of the reforms upon which all the Powers are agreed in principle.

The degree of control to be exercised by the Macedonian Financial Commission over the framing of the annual Budget is not laid down in precise terms, nor, in the event of difference of opinion between the Porte and the Commission, is it clear whose views would prevail.

It will further be seen from the *procès-verbaux* of the 57th and 58th sittings of the Commission that the Ottoman Government have already more than once failed to comply with the provisions of Article 9 of the "Règlement" securing to the Commission the right to be consulted as to the proposed introduction or modification of laws affecting the finances of the three vilayets. Unless, therefore, the Powers are prepared to insist upon a very considerable extension of the powers of the Commission, some such stipulation as that now under discussion is essential; otherwise there will be a danger that the Porte, in times of financial embarrassment, may endeavour to cut down the civil expenditure required for the execution of Macedonian reforms, without regard to the views of the Financial Commission, in order to obtain possession of the surplus under Article 13 of the Arrangement with the Ottoman Bank.

Turning to the fifth condition put forward in the British Memorandum of the 10th July on the subject of the military expenditure charged to the Macedonian Budget, His Majesty's Government are prepared, in order to meet as far as possible the views of the two Governments, to withdraw, at all events for the moment, their suggestion that representations should be addressed to the Sublime Porte with a view of reducing the expenditure at present charged under this head in the budget of the three vilayets. They consider it essential, however, to stipulate that the amount to be defrayed from the revenues of Macedonia shall not, at all events, be increased beyond its present figure without the assent of the Powers. Unless a stipulation of this nature be made, the Porte would be able by the simple expedient of moving more troops into Macedonia, and charging their maintenance to the Macedonian Budget, to utilize any surplus for the general military expenditure of the Empire, thereby thwarting the intentions of the Powers in agreeing to the increase of the customs duties. But the proposal of His Majesty's Government would in no way restrict the right of the Porte to increase the number of troops in Macedonia if it thought fit to do so, and to pay them from other sources.

In connection with the sixth proposal of the Memorandum of the 10th July, the two Powers suggest that the question concerning the Macedonian gendarmerie should form the subject of a separate representation from the Powers to the Porte. This course has, however, already been adopted in March last, and though five months have elapsed since the presentation of the joint note by the Ambassadors, the question is to-day no nearer a solution than at first, in spite of a renewed representation to the Porte some weeks ago. There seems no reason to expect that perseverance in the procedure then followed will produce more satisfactory results in the future. The proposals in question are intimately connected with the general subject of Macedonian reform, and His Majesty's Government, while agreeing that other matters should, as far as possible, be kept out of the present negotiations, are strongly of opinion that the assent of the Powers to the proposed surtax, which is the only effective inducement at present available for bringing the Porte into line with them, should not be given until all the more pressing demands in connection with Macedonia are accepted.

His Majesty's Government earnestly trust that these considerations will convince the two Governments of the desirability of accepting the proposals contained in the Memorandum of the 10th July, and that they will be able to send instructions to their Representatives at Constantinople to co-operate in the preparation of a joint note to the Porte on the lines suggested.

Foreign Office, August 4, 1906.

No. 67.

Sir N. O'Conor to Sir Edward Grey.—(Received August 7.)

(Extract.) *Therapia, July* 31, 1906.

I HAD the honour to report in my despatch of the 24th instant the arrangement come to between the Ottoman Government and the Council of the Public Debt in regard to the control to be exercised by the latter over the collection, &c., of the proposed 3 per cent. increased customs duties.

I suggested a slight alteration in the text of the proposed note from the Debt to the Minister of Finance with a view to making the daily supervision to be exercised by the Agents of the Debt quite clear. The Ottoman Government, I understand, have verbally signified their assent, and promised to notify it officially to the Council.

This was one of the main conditions laid down by His Majesty's Government for their acceptance of the new duty, and it will be satisfactory to know that it has been fulfilled.

I took occasion yesterday to intimate to the Grand Vizier that I saw little chance of His Majesty's Government agreeing to the proposed increase even after the arrangement above mentioned, unless the Ottoman Government also undertook to give security for the payment of the present deficit in the Macedonian Budget, which amounted roughly to £ T. 68,000 a-month. There was ample margin either in the present excess of revenue pledged to the Debt, which, I understood, amounted to about £ T. 500,000 per annum, or in the excess of tithes collected by the Debt to cover various railway kilometric guarantees, and a definite assurance would be required by His Majesty's Government that this deficit would be made good from either of these sources before they could agree to British trade being burdened with a fresh duty which pressed the heavier upon us in that our imports were nearly equal to those of all other countries.

His Highness said that the Imperial Government had already undertaken to make good this deficit, and that he had no doubt an arrangement would shortly be made which would satisfy His Majesty's Government in this respect.

I then reminded His Highness of the prolonged negotiations between the Porte and the Embassy in regard to the amendments of the Mining Law, which were as much, and possibly even more, in the interest of the development and prosperity of the Ottoman Empire than they were of any foreign country, and I impressed upon him the necessity of actual proof that the modifications suggested by the Embassy were being executed, and that the demands for those mines for which "permis de recherches" had been granted and the conditions of the law fulfilled, such as the Patterson and Abbott Mines and the Keshan coal mines, in which both British and French subjects were interested, should be fulfilled and put into execution.

His Highness replied that he hoped these questions would be satisfactorily settled very shortly, and that he was quite ready to admit that the conditions put forward by His Majesty's Government were in the interest of the Ottoman Empire as well as of British trade and enterprise.

Finally, I referred to the four demands presented by the Ambassadors in March, and renewed in June last, respecting the gendarmerie. I said that His Majesty's Government required these demands to be complied with as an absolute condition of their consent to the 3 per cent., and as the whole reorganization scheme of the Macedonian Gendarmerie depended upon a regular supply of recruits of a normal yearly average of 580 men, it was essential that we should be assured officially that these recruits will be regularly provided. At the present moment there were only ninety-eight men in the school, and if this state of things continued the whole scheme of reorganization threatened to break down. His Highness said that he would at once approach the Minister of War on the subject, with a view to the necessary number of recruits being furnished without delay.

No. 68.

Sir N. O'Conor to Sir Edward Grey.—(Received August 7.)

Sir, *Therapia, August* 2, 1906.

AT the meeting of the Ambassadors and Chargés d'Affaires of the Great Powers which was held yesterday at the Austro-Hungarian Embassy, we were unable to come to any decision in respect to drafting a fresh note to the Porte concerning the 3 per

cent. customs duty on the lines laid down in your Memorandum to the Powers of the 11th ultimo, pending further information respecting the result of the recent representations made to you by the Austro-Hungarian and Russian Governments.

My colleagues, however, were of opinion that the Customs Regulations were on the point of being satisfactorily settled; that the attainment of a satisfactory arrangement between the Ottoman Government and the Public Debt in regard to the control of the 3 per cent., if supported by a material guarantee insuring the regular payment of the deficit of the Roumelian vilayets, was more advantageous than a stipulation that any excess of revenue, in itself a very unlikely contingency, should not be disposed of without the consent of the Powers; that the seven-years limit and the two-months notification previous to the application of the new duty should be maintained; that it would be impossible to prevent the Imperial Government, in case of political emergency or danger to the Empire, from charging some extra military expenditure upon the three Roumelian vilayets as well as upon the rest of the Empire, and that there was protection against any abuse of this kind by the Porte's engagement to make good the deficits from other sources; and, finally, that it was of doubtful expediency to include the gendarmerie demands in our conditions of acceptance of the 3 per cent. as proposed in the British Memorandum.

I ventured to urge upon my colleagues as earnestly as possible the vital importance of insisting upon a full and regular supply of gendarmerie recruits, and of making it a condition of our acceptance of the 3 per cent. I did so in the firm conviction that the failure of the Ottoman Government to supply recruits (as reported in my despatch of the 31st July) undermined the bases of the whole gendarmerie reorganization scheme, and rendered all hopes of definite improvement in the situation utterly fruitless.

My Austrian and Russian colleagues said that, in view of the expressed objections of their Goverments to include this condition in our demands, they must reserve their opinions, but if the other Representatives agreed with me they would report our opinion to their Governments.

The Italian Ambassador, however, said he was in great perplexity and unable to say, in view of the attitude of the two above-mentioned Governments, whether it was better to propose to include this condition in our note or to make it the subject of a separate communication to the Porte. I said the objection to the latter course was that in this case the subject would present itself again next year, and the stability of the gendarmerie be consequently in constant danger.

In the course of the general discussion, my colleagues seemed to be unanimously of opinion that, if the Ottoman Government were not furnished with the means of providing for their financial embarrassments in Macedonia within a reasonable period of time, there would be a very serious danger of the collapse of the whole work of the Financial Commission.

I have, &c.
(Signed) N. R. O'CONOR.

No. 69.

Memorandum communicated to Musurus Pasha, August 7, 1906.

HIS Majesty's Government have had under consideration the notes, dated respectively the 21st June and the 18th July, which were addressed by the Sublime Porte to the Representatives of the Powers at Constantinople, in reply to the collective note of the 28th May, on the subject of the proposed increase of the Turkish customs duties.

His Majesty's Government consider that neither of the notes from the Ottoman Government complies with the conditions laid down as necessary for their acceptance of the increase in question.

They have accordingly entered into consultation with the other Powers in order to decide how to meet the new situation created by these unsatisfactory replies.

Foreign Office, August 7, 1906.

No. 70.

Sir N. O'Conor to Sir Edward Grey.—(*Received August* 13.)

Sir, *Therapia, August* 8, 1906.

IN my despatch of the 31st ultimo I had the honour to report that I had been given to understand that the Imperial Ottoman Government had verbally signified their assent to the arrangement set forth in the communication addressed by the Ministry of Finance to the Imperial Commissary to the Public Debt in regard to the control to be exercised by the latter body over the collection, &c., of the proposed 3 per cent. increase in the customs duties. At my instigation some slight modifications were subsequently made in this arrangement with a view to securing the daily supervision of the registers in the Custom-house by the agents of the Debt.

I have now the honour to inform you that at the Council of the Debt's sitting of the 20th ultimo the proposals of the Debt for the control and encashment of the proceeds of the 3 per cent. duty were formally accepted by the Ottoman Commissary.

The only modification of the original arrangement desired by the Ottoman Government is the question of the weekly encashment of the receipts by the agents of the Debt, instead of which they wish to arrange for the encashment to take place every twenty or fifteen days.

The Council of the Public Debt Administration have agreed to accept this modification under reserve.

I have, &c.
(Signed) N. R. O'CONOR.

No. 71.

Sir E. Goschen to Sir Edward Grey.—(*Received August* 13.)

Sir, *Vienna, August* 8, 1906.

I HAVE the honour to inform you that M. de Mérey spoke to me on the 27th ultimo on the subject of Macedonia, and seemed rather inclined to cavil at the delay which he alleged was being caused by the action of His Majesty's Government in attaching fresh conditions to their consent to the increase of Turkish customs dues. He alluded, he said, to the suggestions of His Majesty's Government with regard to the reduction of the military expenditure of Turkey in Macedonia, and relating to the right of intervention of the gendarmerie.

With regard to the first suggestion, he considered that it was unpractical to first impose upon the Sublime Porte the duty of keeping order in Macedonia, and then to impose limitations as to the number of troops which should be employed for the purpose.

As regards the right of intervention of the gendarmerie, the Austro-Hungarian Government were as anxious as His Majesty's Government that the question should be settled, but they thought that it should be treated separately from the question of the increase of customs dues. I replied to M. de Mérey that I was sure that His Majesty's Government yielded to none of the other Powers in their anxiety that the reforms should be brought into full operation as soon as possible, but that he must remember that the question of the increase of the customs dues was a matter of more importance to Great Britain than to any other Power, and that, in order to make this increase acceptable to the vast interests involved, it was necessary for His Majesty's Government to be able to show that nothing had been left undone on their part to insure that the money raised should be devoted to its proper purpose, and that the sacrifice imposed on trade should not be in vain.

M. de Mérey said that he quite understood this view and sympathized with it, but still he trusted that His Majesty's Government would waive the two points to which he had alluded, as, in the opinion of the Austro-Hungarian Government, the conditions attached already to the increase of the customs dues were amply sufficient to insure the object which His Majesty's Government had in view.

On the receipt of your telegram of the 31st July, I again called upon M. de Mérey, and, in accordance with your instructions, fully explained the point

of view of His Majesty's Government with regard to the Turkish military expenditure.

His Excellency said that your explanation placed the matter more clearly before him, but that still he could not agree with your point of view, as he was still of the opinion that it would be unwise to limit the military expenditure of the Ottoman Government in Macedonia either as regards the force necessary to keep order in the three vilayets or as regards that required for the defence of the frontier. It must, moreover, be remembered, as regards the latter force, that it was only fair that the three vilayets should contribute to a certain extent to the defence of the Empire. Further, and he begged me to telegraph his opinion to you, he considered that, as the Macedonian Budget was fixed by the Financial Commission in conjunction with the Inspector-General, it was evident that if the Ottoman Government decided to exceed the amount of military expenditure laid down in that Budget the excess would have to be at their charge and be defrayed by the Imperial Treasury.

The engagement given by the Sublime Porte left no doubt with regard to this point.

He finally expressed the hope that all these matters would be speedily and satisfactorily settled in the forthcoming discussion of the Representatives of the Powers at Constantinople.

I have, &c.
(Signed) E. GOSCHEN.

No. 72.

Sir N. O'Conor to Sir Edward Grey.—(Received August 13.)

(Telegraphic.) *Constantinople, August* 13, 1906.

BARON DE CALICE has been authorized by the Austro-Hungarian Government to agree to your demand that the original proposals in regard to the gendarmerie are to be included in the note respecting the 3 per cent. customs increase which is to be addressed to the Sublime Porte. His Excellency is inquiring whether His Majesty's Government intend the question of the recruits to be included as well.

No. 73.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, August* 15, 1906.

YOU may strongly support the inclusion of the question of recruits, referred to in your telegram of the 13th instant, if any other Power suggests it, and if you are consulted you should urge the importance of including it.

No. 74.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, August* 15, 1906.

BRITISH Memorandum of the 4th instant.

Russian Government approve our proposals. The Russian Representative at Constantinople has been instructed to concert with his colleagues in preparing a collective note to the Porte on this basis.

No. 75.

Sir N. O'Conor to Sir Edward Grey.—(Received August 21.)

Sir, *Therapia, August* 16, 1906.

I HAVE the honour to report that at the meeting of the Ambassadors which took place this afternoon the first and second conditions laid down in your Memorandum of

the 4th August presented to the Austro-Hungarian and Russian Governments were agreed to without much discussion or any great difficulty.

Points 3 and 4 of your Memorandum of the 11th July were accepted by general agreement.

Point 5, however, stipulating that the military expenditure now charged on the Budget of the Macedonian vilayets should not be increased without the consent of the Powers, gave rise to a long discussion, in which the German Ambassador, who had returned in the morning from leave of absence, maintained that the introduction of a fresh and far-reaching condition was entirely opposed to the spirit of our joint note to the Porte of the 28th May; that it was a direct negation of the sovereign power of the Sultan; that it was an unfair distinction between the Roumelian provinces and the rest of the Empire; and that he was, moreover, convinced the Ottoman Government would never agree to it. The consequences in this case, he averred, would be very serious, as it might entail the breakdown of the present negotiations and thereby jeopardize the whole scheme of reforms.

I argued that the proposal of His Majesty's Government was entirely justified by the fact that at the present moment the military expenses charged upon the three Roumelian vilayets, not only for these vilayets but also for Albania, amounted to five-sixths of the whole revenue, that if the Ottoman Government were free to impose further charges for military purposes upon the already straitened revenue of Macedonia, it would be in their power at any time practically to ruin the whole work of the Financial Commission, and to render any serious amelioration in the three vilayets quite out of the question and make the scheme of reforms which had been sanctioned by international agreement fruitless and abortive. At the same time, the proposals of His Majesty's Government did not absolutely exclude an increase of the military expenditure if special reasons made it imperative or the material development of the provinces enabled them to bear an extra burden, but it stipulated that the decision in the matter should rest with the Powers, who were responsible for the introduction of reforms which they had so keenly at heart.

Baron von Marschall, however, was not convinced by these arguments, and insisted upon his view of the question and the injustice and inopportuneness of pressing a demand which was so disagreeable to the Sultan and fraught with such danger to the realization of our expectations for an improvement of the condition of affairs in Macedonia.

The Austro-Hungarian Ambassador and the Russian Chargé d'Affaires said they had instructions from their Governments to accept the proposal of His Majesty's Government, but the Austro-Hungarian Ambassador said that he shared the opinion of his German colleague, in so far as he thought it most improbable that the Turkish Government could be persuaded, without recourse, perhaps, to extreme measures, to accept it. The Russian Chargé d'Affaires, on the other hand, took my view that if the proposal were unanimously presented as a condition of the 3 per cent. the Porte would agree to the proposal, and that from a general point of view some limitation of the kind was necessary to prevent the intentions of His Majesty's Government and the other Powers being thwarted.

The French Ambassador said that, being instructed by his Government, he would vote in favour of the proposal of His Majesty's Government, but that he entirely shared the view that the Porte would not accept it, and that insistence would seriously endanger the whole scheme of reform. He further dwelt upon the risk of delay in the settlement of these questions as calculated to imperil the financial situation, which was already in a very precarious position owing to the impecuniosity of the Turkish Exchequer.

The Italian Ambassador, while admitting that his Government had accepted in principle the proposals of His Majesty's Government, said that he was instructed to try to reconcile any conflicting opinion between the foreign Representatives while at the same time endeavouring to "ménager" the susceptibilities of the Sultan. Under those circumstances, he would report what had taken place to-day, and refer to his Government for instructions.

Finally, the German Ambassador said that he could not change his attitude, and that he would refer to his Government for instructions.

The sixth proposal of His Majesty's Government gave rise to less serious discussion, although the German Ambassador again objected to its inclusion among the conditions of the 3 per cent. He did not raise, however, any objection to introducing in the gendarmerie demands a clause respecting the annual supply of recruits which I most strongly advocated as a vital necessity to the success of the reorganization. He

objected, however, but more to the wording than to the principle of the gendarmerie's right of intervention, but admitted its necessity. He was willing, his Excellency said, to agree at once to a separate identic note to the Porte embodying our previous conditions so far as they were not yet fulfilled by the Porte, and comprising a stipulation providing for the regular supply annually of recruits.

I replied that the objection to separating this demand from the 3 per cent., apart from the fact that I had your instructions to make it one of the conditions, was that, judging by past experiences, I was greatly afraid that if it were not made an absolute condition the same difficulties would arise at no distant date, and we should again find the reorganization scheme endangered, while, in the meantime, there would be wanting that feeling of stability without which we should never succeed in getting the support of the military and civil authorities, whose jealousy was already a fruitful source of trouble and difficulty.

I must not forget to mention that, in the course of discussion on the second point, M. Constans stated that the Council of the Public Debt had agreed to provide annually a sum of £ T. 250,000, secured on the revenue accruing to them from the 3 per cent. customs duty, in order to cover the deficit in the Macedonian Budget, but that they are unwilling to increase the amount or to make any payment until the 3 per cent. came into force. It was hoped, however, that the Ottoman Bank would be willing to make an advance which would cover the whole deficit until the new tax comes into force, say, in January next.

You will recollect that I reported in my despatch of the 20th ultimo that I had made a proposal to this effect, and I believe it is mainly owing to the support of Commandant Berger that its success is due.

Its importance is obvious, as it provides a stable security for the regular payment of the present deficit, which was recorded in Article XII of the Agreement between the Ottoman Government and the Imperial Ottoman Bank, but which was not fulfilled in May last owing to the penury of the Imperial Treasury.

I have, &c.
(Signed) N. R. O'CONOR.

No. 76.

Sir N. O'Conor to Sir Edward Grey.—(Received August 27.)

Sir, *Therapia, August 21, 1906.*

IN my despatches of the 19th June and 2nd ultimo respectively, I reported the strong representations which I had made to the Grand Vizier regarding the failure of the Turkish Government to pay the monthly subsidies required to make good the deficit in the Macedonian Budget.

I have since lost no opportunity of pressing the matter on the attention of the Porte, and I am happy to be able to report that a sum of 85,000*l.* was remitted yesterday to the Inspector-General for the requirements of the three vilayets.

I have, &c.
(Signed) N. R. O'CONOR.

No. 77.

Mr. des Graz to Sir Edward Grey.—(Received August 28.)

(Telegraphic.) *Rome, August 28, 1906.*

SIR N. O'CONOR'S despatch of the 16th instant.

The Italian Ambassador at Constantinople has been instructed to communicate with his colleagues, with a view to finding a formula which will conciliate and satisfy all the Governments concerned.

No. 78.

Sir N. O'Conor to Sir Edward Grey.—(Received August 31.)

Sir, *Therapia, August 25, 1906.*

IN my despatch of the 16th instant, I had the honour to report that the first and second conditions of your Memorandum to the Austro-Hungarian and Russian Governments of the 4th instant respecting the 3 per cent. were agreed to without any great difficulty. This statement, however, requires some further explanation, which the departure of the post did not allow me to offer on the 16th instant.

The formula to be adopted in order to secure compliance with the latter part of the second condition led to some differences of opinion, several of my colleagues contending that it would be extremely difficult to obtain the consent of the Porte to a stipulation implying that the Porte could not dispose of any eventual surplus in the Macedonian revenues without the formal consent of the Powers.

M. Svetchine, the Russian Chargé d'Affaires, thereupon proposed a wording to the effect that any surplus at the disposal of the Ottoman Government resulting from the increase of the 3 per cent. customs duty will be exclusively applied to the financial needs of the three Roumelian vilayets.

My colleagues appeared unanimously to accept this solution as the basis of our proposed note to the Porte.

I have, &c.
(Signed) N. R. O'CONOR.

No. 79.

Sir N. O'Conor to Sir Edward Grey.—(Received September 3.)

Sir, *Therapia, August 29, 1906.*

WITH reference to my despatch of the 16th instant, I have the honour to forward herewith a preliminary draft which has been prepared by the French Ambassador as the basis of our note to the Porte respecting the 3 per cent. increase in the Turkish customs duties.

You will notice that conditions Nos. 2 and 5, enumerated in your Memorandum of the 10th July, have been amalgamated, and that, though the formula for No. 5 has been changed and military expenditure is not especially mentioned, the object of this condition will be equally attained if the Porte consents to our demand as now worded.

In one respect, however, the wording does not fully meet our requirements, as no provision is made for the allocation of any surplus to a reserve for Macedonian needs; but it should be borne in mind that the prospect of a *bonâ fide* excess of revenue over expenditure is exceedingly remote, and it should be possible, under Article 6 of the Règlement of the Financial Commission, to prevent the creation of an artificial surplus. In any case, the present form of wording possesses the advantage of being likely to be unanimously approved by my colleagues.

You will notice that there is no mention of conditions 3 and 6. I anticipate no difficulty in restating the former in our note; but as regards No. 6, strong opposition has come from the German Ambassador, who has so far absolutely refused to include the gendarmerie demands in our note regarding the Customs. He is, moreover, as I have already reported, opposed to the inclusion amongst those demands of that for the right of intervention, and, as far as I can gather, he would be unwilling to join in insisting upon this right, even were we to agree to press our gendarmerie demands in a separate identic note.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 79.

Preliminary Draft respecting 3 per cent. Increase in Turkish Customs Duties.

LES Représentants des Puissances, pour répondre aux désirs de la Sublime Porte de terminer l'affaire de la majoration douanière de 3 pour cent, ont l'honneur de lui

faire connaître les conditions auxquelles leurs Gouvernements respectifs subordonnent l'acceptation par eux, pour une durée de sept ans, de cette majoration :—

1. Les conditions déjà posées par les Représentants des Puissances à l'acceptation de la majoration des droits de douane (Lois des Mines, Règlement Douanier, Loi sur les Analyses, et Règlement pour l'Emmagasinage du Pétrole) seront exactement remplies par la Sublime Porte. Le texte de la nouvelle Loi Minière et des Règlements relatifs aux analyses chimiques et aux pétroles devra être officiellement communiqué aux Représentants des Puissances, et tout doute relatif à l'application de ces nouvelles dispositions aux intérêts existants devra être écarté.

2. Les Représentants des Puissances seront assurés préalablement par une garantie effective que la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration sera exclusivement consacrée aux besoins financiers des trois vilayets de Roumélie. Un engagement de la Dette Publique Ottomane garantissant que, pour remplir la condition ci-dessus, la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière sera exclusivement affectée au Budget Rouméliote—engagement portant, de plus, que la dette s'astreint à couvrir annuellement le déficit de ce Budget jusqu'à concurrence de £ T. 250,000—donnera sur ce point pleine satisfaction aux Représentants des Puissances.

3. Il doit être, toutefois, bien entendu que, dans le cas où, du fait de mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial Ottoman, les dépenses des trois vilayets de Roumélie viendraient à être augmentées et que, par suite, des revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, la Sublime Porte, conformément aux dispositions de l'Article 2 de la note collective des Ambassades en date du 22 Mai dernier, sera obligée de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Impériale Ottomane.

4. Le Gouvernement Impérial prendra l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

(Translation.)

THE Representatives of the Powers, in order to meet the wish of the Sublime Porte to settle the question of the 3 per cent. customs increase, have the honour to inform it of the conditions subject to which their respective Governments are prepared to accept this increase for a period of seven years.

1. The conditions already laid down by the Representatives of the Powers in return for the acceptance of the customs duties increase (Mining Laws, Customs "Règlement," Law of Analysis, and "Règlement" for the Storage of Petroleum) shall be scrupulously fulfilled by the Sublime Porte. The text of the new Mining Law, and of the regulations relative to chemical analysis and to petroleum should be officially communicated to the Representatives of the Powers, and all doubt as to the application of these fresh provisions to the interests in question must be removed.

2. The Representatives of the Powers shall be first assured by an effective guarantee that the portion which by virtue of existing laws shall remain at the disposal of the Imperial Government out of the sums encashed on account of this increase shall be exclusively devoted to the financial requirements of the three Roumelian vilayets. An undertaking on the part of the Ottoman Public Debt, guaranteeing that, in order to fulfil the above condition, the portion reverting to the Imperial Government out of the proceeds of the customs surtax shall be exclusively devoted to the Roumelian Budget—an undertaking providing, moreover, that the Debt guarantees to make good annually the deficit in this Budget to the amount of £T. 250,000—will give full satisfaction to the Representatives of the Powers on this point.

3. It should, however, be fully understood that if, in consequence of measures taken without the consent of the Financial Commission by the Imperial Ottoman Government, the expenditure of the three vilayets of Roumelia were to be increased, and that, therefore, revenues assigned to their Budget should be found insufficient to meet the fresh deficit thus created, the Sublime Porte, in conformity with the provisions of Article 2 of the collective note from the Embassies of the 22nd May last, will have to furnish additional guarantees to assure the carrying out of the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank.

4. The Imperial Government shall formally undertake not to impose upon the Customs' operations fresh taxes of an uncertain or unlooked-for character, in the shape of a stamp duty, or in any other way.

No. 80.

Sir N. O'Conor to Sir Edward Grey.—(Received September 7.)

(Telegraphic.) *Constantinople, September 6, 1906.*

IN our note to the Sublime Porte concerning the increase in the customs duties the German Ambassador has agreed to insert a condition with respect to the gendarmerie in Macedonia to the following effect:—

"The engagements taken by the Sublime Porte respecting carrying arms, recruitment, and armament of the gendarmerie in the three Roumelian vilayets not having been executed, and Article 61 of the 'Règlement,' which sanctions the right of intervention of the gendarmerie in cases of crimes and misdemeanours, not having been observed, the Imperial Government shall take the necessary measures to carry out these several points, and shall especially see that the civil and military authority give their support to the gendarmerie officers in order to assure the strict application of Article 61 and the following Articles of the Gendarmerie Regulations."

I see no objection to this clause, although in regard to the recruitment I should have preferred to have made it somewhat more definite. All my colleagues have agreed to it.

As there is to be a meeting to-morrow at which all the other Representatives will give their consent, I should be glad to know, as soon as possible, whether you approve of the draft note inclosed in my despatch of the 28th August, as well as of the insertion of the clause given above.

No. 81.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, September 7, 1906.*

YOUR despatch of the 29th ultimo.

Mention of improvements in the customs accommodation should be inserted in the second paragraph of the draft note, from which it has been omitted.

Since Roumelia includes the Province of Adrianople, the expression "three vilayets of Roumelia" (which occurs in the third paragraph) appears to be incorrect.

If no mention is to be made of any limit of military expenditure to be charged to the Macedonian Budget, it is very desirable that clear and undisputed power should be given to the Financial Commission to fix the amount of the civil portion of the Budget. There will be constant inducement, in order to find money for military purposes, to cut down the civil expenditure, unless the wording of the proposed note is supplemented by such a provision.

His Majesty's Government must insist that the note should include condition No. 3. As regards condition No. 6, fuller information as to the Porte's engagements in regard to the supply of recruits for the gendarmerie is awaited.

No. 82.

Sir N. O'Conor to Sir Edward Grey.—(Received September 8.)

(Telegraphic.) *Constantinople, September 8, 1906.*

YOUR telegram of yesterday.

Both the essence and the spirit of the reorganization scheme bind the Imperial Ottoman Government to supply recruits for the gendarmerie, but we are now making it a condition of our consent to the customs increase, as they have lately failed to do so. I consider that the question will be satisfactorily solved if they accept.

Improvements in the Customs accommodation, as well as several other points, are comprised in the Customs Regulations. We have already received assurances

from the Sublime Porte in regard to five of these points, and a settlement of the remainder is at hand. (See my despatch of the 27th July.) Until this is done we should not, of course, signify our final acceptance of the new duty.

The expression "the three vilayets of Roumelia" is the usual one and is quite clear.

The Ottoman Government cannot, according to our present note, without the sanction of the Financial Commission increase the expenditure unless some special revenue from outside sources is pledged by them for the purpose; moreover, I think that all danger of the Civil Administration being starved is removed by our stipulation that the 3 per cent. duty shall be applied to the needs of Macedonia exclusively, taken in conjunction with Articles Nos. 1 and 6 of the "Règlement" of the Financial Commission.

The note includes our condition No. 3.

It is distinctly satisfactory that our demands in respect of the gendarmerie as well as the recruitment question are also embodied in the note.

All the Representatives expressed their willingness to sign the note at yesterday's meeting.

I said that until I received your authorization I could not do so, and M. Constans wished to delay until the formal approval of the French Council of Ministers to be held on the 11th September was received by him.

The draft submitted to you in my despatch of the 29th August has been modified in a few places, but the alterations are of no particular importance.

No. 83.

Sir N. O'Conor to Sir Edward Grey.—(*Received September* 11.)

(Telegraphic.) *Constantinople, September* 11, 1906.

MY telegram of the 8th instant.

Authorization to sign the collective note to the Porte respecting the 3 per cent. increase in the Turkish customs has been received by my colleagues.

As the Russian Chargé d'Affaires has been handling the question, it would seem desirable that he should sign the note. I would therefore venture to request that I may be sent your instructions before the 13th September, on which date the Russian Ambassador returns from leave.

No. 84.

Sir N. O'Conor to Sir Edward Grey.—(*Received September* 12.)

Sir, *Therapia, September* 8, 1906.

IN continuation of my despatch of the 29th ultimo and of my telegram of this day, I have the honour to forward copy of the draft note which was prepared at the meeting of Ambassadors yesterday regarding the 3 per cent. customs increase.

I venture to submit that in all essentials it embodies the demands formulated by His Majesty's Government in the Memoranda communicated to the Austrian and Russian Governments on the 10th July and the 4th August respectively. Indeed, it will be seen that in one or two particulars the draft note goes beyond the requirements of His Majesty's Government.

Taking the paragraphs *seriatim*, as regards No. 1, I need only observe that the expression "Règlement Douanier" covers the improvements in the accommodation of the custom-houses which is one of the desiderata enumerated in condition No. 1 in the Memorandum of the 10th July. In regard to the points comprising our demand in connection with the improvements of the Turkish Customs, I would refer you to Mr. Weakley's Memorandum inclosed in my despatch of the 27th July, showing to what extent these demands had received satisfaction; I hope shortly to receive a statement from the Porte showing what progress has been made in the reforms since then.

Paragraph 2 is designed to embody conditions Nos. 2 and 5. The control exercised by the Council of the Debt over the collection of the increased duties and the engagement now demanded that the Council shall pay over to the Macedonian Budget the

share accruing to the Ottoman Government will be sufficient guarantee that it will be properly collected and exclusively devoted to the Budget of the three vilayets, while the pledge stipulated for, that the Council of the Debt will cover any deficit up to £T. 250,000, seems to me to be a decided advance on the mere reaffirmation by the Porte of Article 12 of the Agreement between the Ottoman Bank and the Turkish Government. It is true that there is in this paragraph no express mention of the limitation of military expenditure chargeable to the Macedonian Budget, or the assignment of any surplus there may be to a reserve fund earmarked for Macedonian needs, but it will be noticed that the expenditure cannot, if the Porte accepts the conditions now formulated, be increased without the sanction of the Financial Commission unless the Porte pledges outside revenues to meet it. This stipulation, together with Articles 1 and 6 of the " Règlement," should render it impossible for the Ottoman Government to starve the Civil Administration for the benefit of the army. As regards the omission of any stipulation for the formation of a reserve fund for Macedonia, I have found it impossible to induce my colleagues to join in any such demand which they regard as unfair to Turkey and an unnecessary encroachment on the requirements of the rest of the Empire. In any case, apart from the fact that any surplus would seem to be a very remote contingency, the very express engagement now demanded for the meeting of any deficit up to £T. 250,000 goes far to remove the need for this part of condition No. 2.

Paragraph 3 needs no observations, being an exact reproduction of the corresponding demand in our original note.

Paragraph 4 contains the demands regarding the gendarmerie in Macedonia.

It is with great satisfaction that I have been able to report to you by telegraph that the German Ambassador has withdrawn his opposition to the inclusion of these demands in our note on the Customs, and also to the inclusion in those demands of the very important one regarding the right of intervention as provided in Article 61 of the Gendarmerie Regulations.

Paragraph 5, providing for two months' notice before the levying of the increased customs, needs no comment, as it exactly corresponds with condition No. 3 of the Memorandum of the 10th July.

I trust that the note will meet with your approval. There have been times during the progress of the negotiations when there seemed but little hope of the Embassies agreeing to present such comprehensive demands. I am much indebted for the Agreement come to to the conciliatory spirit shown by my colleagues, and I am especially beholden to M. Constans, who has given his colleagues his most valuable assistance in the drafting of the note.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 84.

Draft Note by the Representatives of the Powers respecting the 3 per cent. Customs Increase.

LES Ambassadeurs d'Autriche-Hongrie, d'Allemagne, de la Grande-Bretagne, d'Italie, et les Chargés d'Affaires de Russie et de France, pour répondre au désir de la Sublime Porte de terminer l'affaire de la majoration douanière de 3 pour cent, ont l'honneur de lui faire connaître les conditions auxquelles leurs Gouvernements respectifs subordonnent l'acceptation par eux, pour une durée de sept ans, de cette majoration.

1. Les conditions déjà posées par les Représentants des Puissances à l'acceptation de la majoration des droits de douane (loi des mines, règlement douanier, loi sur les analyses et règlement pour l'emmagasinage du pétrole) seront exactement remplies par la Sublime Porte : le texte de la nouvelle loi minière et des règlements relatifs aux analyses chimiques et aux pétroles devra être officiellement communiqué aux Représentants des Puissances, et tout doute relatif à l'application de ces nouvelles dispositions aux intérêts existants devra être écarté.

2. Les Représentants des Puissances seront assurés préalablement par une garantie effective que la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration sera exclusivement consacrée aux besoins financiers des trois Vilayets de Roumélie.

Pour assurer l'exécution de la condition ci-dessus, la Dette Publique Ottomane

s'engagera à verser entièrement au Budget Rouméliote la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière. Cet engagement portera de plus que la Dette s'astreint à couvrir annuellement le déficit du dit Budget jusqu'à concurrence de £ T. 250,000.

Il doit être, toutefois, bien entendu que, dans le cas où, du fait de mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial Ottoman, les dépenses des trois Vilayets de Roumélie viendraient à être augmentées, et que par suite les revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, la Sublime Porte, conformément aux dispositions de l'Article 2 de la note collective des Ambassadeurs en date du 22 Mai dernier, sera obligée de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Impériale Ottomane.

3. Le Gouvernement Impérial prendra l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

4. Les engagements pris par la Sublime Porte relativement au port d'armes, au recrutement et à l'armement de la gendarmerie dans les trois Vilayets de Roumélie n'étant pas exécutés et l'Article 61 du Règlement, qui consacre le droit d'intervention de la gendarmerie, en cas de délits et de crimes, n'étant pas observé, le Gouvernement Impérial devra prendre les mesures nécessaires pour l'exécution de ces divers points, et notamment pour que les autorités civiles et militaires prêtent leur concours aux officiers de gendarmerie afin d'assurer la stricte application des Articles 61 et suivants du Règlement de cette arme.

5. La surtaxe douanière ne devra pas être mise en vigueur avant les deux mois qui suivront la ratification par les Gouvernements intéressés de l'accord conclu avec la Sublime Porte sur la présente question.

Constantinople, le 30 *Août* (12 *Septembre*), 1906.

(Translation.)

THE Austro-Hungarian, German, British, and Italian Ambassadors, and the Russian and French Chargés d'Affaires, in order to meet the wish of the Sublime Porte to settle the question of the 3 per cent. customs increase, have the honour to inform it of the conditions subject to which their respective Governments are prepared to accept this increase for a period of seven years.

1. The conditions already laid down by the Representatives of the Powers in return for the acceptance of the customs duties increase (Mining Laws, Customs "Règlement," Law of Analysis, and "Règlement" for the Storage of Petroleum) shall be scrupulously fulfilled by the Sublime Porte. The text of the new Mining Law, and of the regulations relative to chemical analysis and to petroleum, should be communicated officially to the Representatives of the Powers, and all doubt as to the application of these fresh provisions to the interests in question should be removed.

2. The Representatives of the Powers shall be first assured by an effective guarantee that the portion which by virtue of existing laws shall remain at the disposal of the Imperial Government out of the sums encashed on account of this increase shall be exclusively devoted to the financial requirements of the three Roumelian vilayets.

In order to assure the fulfilment of the above condition, the Ottoman Public Debt shall undertake to pay over in its entirety to the Roumelian Budget the portion reverting to the Imperial Government out of the proceeds of the customs surtax This undertaking shall further provide for the Debt agreeing to make good annually the deficit in the said Budget to the amount of £ T. 250,000.

It should, however, be fully understood that if, in consequence of measures taken without the consent of the Financial Commission by the Imperial Ottoman Government, the expenditure of the three Roumelian vilayets were to be increased, and that therefore the revenues assigned to their Budget should be found insufficient to meet the fresh deficit thus created, the Sublime Porte, in conformity with the provisions of Article 2 of the collective note of the Ambassadors of the 22nd May last, will have to furnish additional guarantees in order to assure the carrying out of the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank.

3. The Imperial Government shall formally undertake not to impose upon Customs

operations fresh taxes of an uncertain or unlooked-for character, in the shape of a stamp duty, or in any other way.

4. The engagements taken by the Sublime Porte respecting carrying arms, recruitment, and armament of the gendarmerie in the three Roumelian vilayets not having been executed, and Article 61 of the "Règlement" which sanctions the right of the gendarmerie to intervene in cases of crimes or misdemeanours not having been observed, the Imperial Government shall take the necessary measures to carry out these several points, and especially with a view to the civil and military authorities assisting the gendarmerie officers in order to assure the strict application of Article 61 and following Articles of the "Règlement" of this force.

5. The Customs surtax must not be brought into force until two months after the ratification by the Governments concerned of the Agreement arrived at with the Sublime Porte in respect as to the question at issue.

Constantinople, August 30 (*September* 12), 1906.

No. 85.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, September* 12, 1906.

YOUR telegrams of the 8th and 11th instant.

I consider that the proposed note should contain an assurance of a more definite nature that the Ottoman Government should undertake to supply from the regular army the necessary recruits if the original system does not furnish sufficient numbers of them for the gendarmerie.

We learn, from information which we possess, that at the ports practically no improvement has been made in the accommodation at the Customs.

The Grand Vizier promised that a considerable sum should be expended on this object when the increase of duty had been granted. It is very desirable that we should have some guarantee that at least 100,000*l.* should be so spent.

We must also have a satisfactory settlement of the question of porterage.

As you correctly show, there are guarantees offered in the note, if taken in conjunction with the 1st and 6th Articles of the Financial "Règlement," that the civil administration shall not be starved, provided that no obstruction is caused to the Budgets by withholding the Iradés which alone can confirm them. It is most important that one of the conditions to be embodied in the note should consist of a clear statement that the Financial Commission should have undisputed power, as regards the civil portion of the Budget, to fix the expenditure (please see my telegram of the 7th September).

We must avoid all ambiguity and allow no opportunity for haggling with the Ottoman Government in the future.

No. 86.

Sir Edward Grey to Mr. G. Barclay.

(Telegraphic.) *Foreign Office, September* 16, 1906.

3 PER CENT. Customs increase.

His Majesty's Government must, in view of large extent to which British trade is involved, be satisfied as to the improvement of the accommodation at the ports before they can give their final assent to the increased duties, and it is necessary, in view of the very doubtful prospect of reforms in Macedonia, that the conditions contained in my telegram of the 12th instant shall be clearly explained to the Porte in the note.

No. 87.

Mr. G. Barclay to Sir Edward Grey.—(Received September 19.)

(Telegraphic.) *Constantinople, September* 19, 1906.

INCREASE in Turkish customs duties. Your telegram of the 16th instant.

With a view to finding a way out of the present difficulty, the Italian Ambassador has drafted the following proposed additions to the collective note which my colleagues are submitting to their respective Governments. The Austro-Hungarian Ambassador and the French Chargé d'Affaires are forwarding them, I understand, without comment.

The Italian Ambassador, the Russian Ambassador, and the German Chargé d'Affaires, are recommending them for acceptance.

Two paragraphs to the following effect to be inserted after condition 1 :—

"La Sublime Porte s'engagera en outre à affecter, dès que la majoration douanière aura été acceptée par les Puissances, une somme de £T. 100,000 destinée à la reconstruction et à l'amélioration des locaux des douanes.

"La question du hamalage devra être également réglée d'une manière définitive et satisfaisante."*

Insert the following between the second and third paragraphs of condition 2 :—

"Il est bien entendu que dans le cas où la Commission Financière, agissant en conformité des dispositions de l'Article VI du Règlement pour les services financiers des trois vilayets de Roumélie, jugerait insuffisantes les dépenses prévues pour l'Administration Civile, y compris la gendarmerie et la police, et croirait devoir les rectifier, le Gouvernement Impérial se conformera entièrement aux demandes de la Commission."†

Insert following paragraphs after condition 4 :—

"Pour ce qui a trait au recrutement, la Sublime Porte s'engagera à fournir le contingent intégral des recrues pour la gendarmerie, en pleine conformité des demandes présentées par le Général Réorganisateur.

"Dans le cas où le Gouvernement Impérial ne disposerait pas d'un nombre suffisant de recrues, il sera tenu à compléter le contingent par des hommes pris parmi les soldats de l'armée régulière."‡

The starving of the Civil Administration should be precluded, as effectually as it is possible to do so by means of any form of words, by the paragraph regarding the Financial Commission, which would appear to have a fair chance of being accepted by the other Powers.

No difficulty is likely to be caused by the three other points.

No. 88.

Sir Edward Grey to Sir A. Nicolson.§

(Telegraphic.) *Foreign Office, September* 21, 1906.

INCREASE of Turkish Customs. Mr. Barclay's telegram of the 19th instant.

You should inform the Government to which you are accredited that our objections to authorizing His Majesty's Representative at Constantinople to join the Representatives of the other Powers in signing would be removed by their accepting the newly amended note.

No. 89.

Mr. G. Barclay to Sir Edward Grey.—(Received September 23.)

(Telegraphic.) *Constantinople, September* 22, 1906.

I HAVE been informed by the Italian Ambassador that the additions to the collective note have been accepted by his Government.

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* (TRANSLATION.)—"The Sublime Porte shall undertake in addition to assign, as soon as the customs increase shall have been accepted by the Powers, a sum of £T. 100,000 for the rebuilding and improvement of customs premises.

"The question of 'hamalage' must also be settled in a final and satisfactory manner."

† (TRANSLATION.)—"It is clearly understood that if the Financial Commission, acting in conformity with the provisions of Article 6 of the 'Règlement' for the financial services of the three Roumelian vilayets, should consider the estimates of expenditure on the Civil Administration inadequate, including the gendarmerie and police, and should deem it their duty to modify them, the Imperial Government shall accept the full demands of the Commission."

‡ (TRANSLATION.)—"With regard to recruiting, the Sublime Porte shall undertake to furnish the full contingent of gendarmerie recruits, in entire conformity with the demands presented by the General in charge of the reorganization.

"If the Imperial Government are unable to procure a sufficient number of recruits, they shall agree to make up the contingent by men selected from the regulars."

§ Also to Mr. Lister, Mr. des Graz, Sir F. Lascelles, and Sir E. Goschen.

No. 90.

Mr. G. Barclay to Sir Edward Grey.—(Received September 23.)

(Telegraphic.) *Constantinople, September 23, 1906.*

I AM given to understand by the Russian Ambassador that there will be no difficulty at St. Petersburgh in regard to the proposed additions to the joint note respecting the increase in the Turkish customs. If the other Powers accept the additions, the French Chargé d'Affaires has the authorization of his Government to sign the note.

The German Ambassador is now on leave in Germany.

No. 91.

Mr. G. Barclay to Sir Edward Grey.—(Received September 23.)

(Telegraphic.) *Constantinople, September 23, 1906.*

PROVIDED the other Powers assent, the Austro-Hungarian Ambassador has been authorized to sign the collective note.

I have informed His Majesty's Ambassador at Berlin that the additions have been accepted by the Austro-Hungarian, French, and Italian Governments.

No. 92.

Mr. G. Barclay to Sir Edward Grey.—(Received September 24.)

(Extract.) *Therapia, September 19, 1906*

DURING an interview which I had with the Grand Vizier some days ago his Highness referred with some bitterness to our attitude, saying that it was a poor reward to Turkey for her compliance with our demands in the case of the Sinai boundary and the Smyrna–Aidin Railway. I pointed out that there could be no question of any connection between these two matters and the increase of the customs duties. I told him that I had just received instructions regarding the latter question and was about to confer with the other Representatives. There is no doubt that there is a strong feeling of irritation at the delay in presenting the collective note. Our attitude is no secret, and it is to be feared that the odium for the delay and for the stringent character of the conditions in the note when it is presented, will fall on us alone.

No. 93.

Mr. G. Barclay to Sir Edward Grey.—(Received September 30.)

(Telegraphic.) *Constantinople, September 30, 1906.*

THE collective note was signed to-day, and will be presented to-morrow. The alterations which have been made in the text are merely verbal.

No. 94.

Sir Edward Grey to Mr. G. Barclay.

(Telegraphic.) *Foreign Office, October 1, 1906.*

YOUR telegram of yesterday.

I congratulate you on your success in effecting material improvements in note and in getting your colleagues to sign it.

No. 95.

Mr. G. Barclay to Sir Edward Grey.—(*Received October* 5.)

Sir, *Therapia, September* 30, 1906.

I HAVE the honour to transmit a copy of the joint note laying down the conditions subject to which the Powers are prepared to give their consent to the 3 per cent. increase in the Turkish customs duties, the signing of which by the six Representatives I have just reported by telegraph.

Baron von Marschall returned to Constantinople yesterday, and almost immediately on his arrival the Italian Ambassador conferred with him on the subject of the proposed additions to the note. On leaving the German Embassy, Marquis Imperiali brought me the draft, with certain changes desired by Baron von Marschall; these were, for the most part, improvements of wording, notably in the paragraph relating to the Financial Commission, but there was one of somewhat more importance. Both the German and Italian Ambassadors desired to leave out the sentence about the supply of gendarmerie recruits from the regular army. I explained that, in view of my instructions, I could not, without authorization, consent to the proposed omission, though I quite saw that the paragraph, worded as it was, was open to objection. We returned together to the German Embassy, and there, after consultation with Baron von Marschall, we decided upon the present wording, which will leave General Degiorgis a free hand as regards the source of supply of recruits, while expressly mentioning the regular army as one of the sources from which he may need to draw.

Baron von Marschall said he would inform the Austrian Ambassador of the result of our interview. I afterwards visited the Russian Ambassador and the French Chargé d'Affaires, both of whom declared themselves ready to sign the newly amended note.

Count Calice being much occupied with the preparations for his departure, the meeting for the final acceptance of the note was held this afternoon at Baron von Marschall's house, the Councillor of the Austrian Embassy attending in Count Calice's place. No discussion worth mentioning occurred at the meeting.

The note was signed, and is to be presented to-morrow.

I feel confident that you will not consider the changes introduced to be such as I should not have accepted without your express authorization. Marquis Imperiali is obliged to leave for the provinces to-morrow. He will be absent about ten days. This would have involved considerable delay, which would have been ascribed by the Turkish Government to further differences among the Powers.

For convenience of reference I have inserted in the margin of the inclosure the original wording of Marquis Imperiali's formula where it has been changed in the note.

I have, &c.
(Signed) G. BARCLAY.

Inclosure in No. 95.

Joint Note communicated by Representatives of the Powers to the Ottoman Government.

LES Ambassadeurs d'Autriche-Hongrie, d'Allemagne, de Russie, d'Italie, et les Chargés d'Affaires de France et de Grande-Bretagne, pour répondre au désir de la Sublime Porte de terminer l'affaire de la majoration douanière de 3 pour cent, ont l'honneur de lui faire connaître les conditions auxquelles leurs Gouvernements respectifs subordonnent l'acceptation par eux, pour une durée de sept ans, de cette majoration.

1. Les conditions déjà posées par les Représentants des Puissances à l'acceptation de la majoration des droits de douane (Loi des Mines, Règlement Douanier, Loi sur les Analyses, et Règlement pour l'Emmagasinage du Pétrole) seront exactement remplies par la Sublime Porte; le texte de la nouvelle Loi Minière et des Règlements relatifs aux analyses chimiques et aux pétroles devra être officiellement communiqué aux Repré-

sentants des Puissances, et tout doute relatif à l'application de ces nouvelles dispositions aux intérêts existants devra être écarté.

La Sublime Porte s'engagera en outre à affecter, dès que la majoration douanière aura été acceptée par les Puissances, une somme de £ T. 100,000 à la reconstruction et à l'amélioration des locaux des douanes.

La question du "chamalage" devra être également réglée d'une manière définitive et satisfaisante.

2. Les Représentants des Puissances seront assurés préalablement par une garantie effective que la part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de cette majoration, sera exclusivement consacrée aux besoins financiers des trois vilayets de Roumélie.

Pour assurer l'exécution de la condition ci-dessus, la Dette Publique Ottomane s'engagera à verser entièrement au Budget Rouméliote la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière. Cet engagement portera, de plus, que la Dette s'astreint à couvrir annuellement le déficit du dit Budget jusqu'à concurrence de £ T. 250,000.

Il doit être bien entendu que dans le cas où la Commission Financière, agissant en vertu des dispositions de l'Article 6 du Règlement pour les trois vilayets de Roumélie, [jugerait que le Budget ne contient pas les provisions nécessaires pour les besoins de l'Administration Civile, y compris la gendarmerie et la police, le Gouvernement Impérial se conformera entièrement aux rectifications introduites par la Commission.*]

De même, il est bien entendu que, dans le cas où du fait de mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial Ottoman, les dépenses des trois vilayets de Roumélie viendraient à être augmentées et que, par suite, les revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, la Sublime Porte, conformément aux dispositions de l'Article 2 de la note collective des Ambassadeurs en date du 28 Mai dernier, sera obligée de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Impériale Ottomane.

3. Le Gouvernement Impérial prendra l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues, sous la forme de droit de timbre ou de toute autre manière.

4. Les engagements pris par la Sublime Porte relativement au port d'arme, au recrutement et à l'armement de la gendarmerie dans les trois vilayets de Roumélie, n'étant pas exécutés et l'Article 61 du Règlement, qui consacre le droit d'intervention de la gendarmerie en cas de délits et de crimes, n'étant pas observé, le Gouvernement Impérial devra prendre les mesures nécessaires pour l'exécution de ces divers points, et notamment pour que les autorités civiles et militaires prêtent leurs concours aux officiers de la gendarmerie afin d'assurer la stricte application des Article 61 et suivants du Règlement de cette arme.

[Pour ce qui a trait au recrutement, la Sublime Porte s'engagera à fournir le contingent intégral des recrues pour la gendarmerie, et à compléter en cas de nécessité le dit contingent par des hommes pris parmi les soldats de l'armée régulière, en pleine conformité des demandes présentées par le Général réorganisateur.†]

5. La surtaxe douanière ne devra pas être mise en vigueur avant les deux mois qui

* Original wording of Marquis Imperiali's formula :—

. . . . jugerait insuffisantes les dépenses prévues pour l'Administration Civile, y compris la gendarmerie et la police, et croirait devoir les rectifier, le Gouvernement Impérial se conformera entièrement aux demandes de la Commission.

(Translation.) . . . . shall consider the estimates of expenditure on the Civil Administration, including the gendarmerie and police, inadequate, and should deem it their duty to modify them, the Imperial Government shall accept the full demands of the Commission.

† Pour ce qui a trait au recrutement, la Sublime Porte s'engagera à fournir le contingent intégral des recrues pour la gendarmerie en pleine conformité des demandes présentées par le Général réorganisateur.

Dans le cas où le Gouvernement Impérial ne disposerait pas d'un nombre suffisant de recrues, il sera tenu à compléter le contingent par des hommes pris parmi les soldats de l'armée régulière.

(Translation.)—With regard to recruiting, the Sublime Porte shall undertake to furnish the full contingent of gendarmerie recruits in entire conformity with the demands presented by the General in charge of the reorganization.

If the Imperial Government are unable to procure a sufficient number of recruits at their disposal, they shall agree to make up the contingent by men selected from regulars.

suivront la ratification par les Gouvernements intéressés de l'Accord conclu avec la Sublime Porte sur la présente question.

(Signé) CALICE.
BARON DE MARSCHALL.
J. ZINOVIEW.
IMPERIALI.
A. BOPPE.
G. BARCLAY.

Yénikeuy, le 17 (30) *Septembre*, 1906.

(Translation.)

THE Austro-Hungarian, German, Russian, and Italian Ambassadors, and the French and British Chargés d'Affaires, in order to meet the wish of the Sublime Porte to settle the question of the 3 per cent. customs increase, have the honour to inform it of the conditions subject to which their respective Governments are prepared to accept this increase for a period of seven years.

1. The conditions already laid down by the Representatives of the Powers in return for the acceptance of the increase of the customs duties (Mining Law, Customs "Règlement," Law of Analysis, and "Règlement" for the Storage of Petroleum) shall be scrupulously fulfilled by the Sublime Porte; the text of the new Mining Law and the regulations relative to chemical analysis and to petroleum should be officially communicated to the Representatives of the Powers, and all doubt as to the application of these fresh provisions to the interests in question should be removed.

The Sublime Porte shall undertake in addition to assign, as soon as the customs increase shall have been accepted by the Powers, a sum of £T. 100,000 for the rebuilding and improvement of the customs premises.

The question of "hamalage" must also be settled in a final and satisfactory manner.

2. The Representatives of the Powers shall be first assured by an effective guarantee that the portion which by virtue of existing laws shall remain at the disposal of the Imperial Government out of the sums encashed on account of this increase, shall be exclusively devoted to the financial requirements of the three Roumelian vilayets.

In order to assure the fulfilment of the above condition, the Ottoman Public Debt shall undertake to pay over in its entirety to the Roumelian Budget the portion reverting to the Imperial Government out of the proceeds of the customs surtax. This undertaking shall further provide for the Debt agreeing to make good annually the deficit in the said Budget to the amount of £T. 250,000.

It should, however, be clearly understood that if the Financial Commission, acting by virtue of the provisions of Article 6 of the "Règlement" for the three Roumelian vilayets, [should decide that the Budget does not contain the necessary provisions for the requirements of the Civil Administration, including the gendarmerie and the police, the Imperial Government shall absolutely conform with the modifications introduced by the Commission.]

It is also clearly understood that if, in consequence of measures taken without the consent of the Financial Commission by the Imperial Ottoman Government, the expenditure of the three Roumelian vilayets increased, and that therefore the revenues assigned to their Budget were insufficient to meet the fresh deficit thus created, the Sublime Porte, in conformity with the provisions of Article 2 of the collective note of the Ambassadors of the 28th May last, shall be obliged to furnish additional guarantees in order to assure the carrying out of the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank.

3. The Imperial Government shall formally undertake not to impose upon the Customs operations fresh taxes of an uncertain or unlooked-for character, in the shape of a stamp duty, or in any other manner.

4. The engagements taken by the Sublime Porte respecting carrying arms, recruitment and armament of the gendarmerie in the three Roumelian vilayets not having been carried out, and Article 61 of the "Règlement," which sanctions the right of the gendarmerie to intervene in cases of misdemeanours and crimes, not having been observed, the Imperial Government must take the necessary steps for carrying out these different points, and especially with a view to the civil and military authorities

assisting the gendarmerie officers to assure the strict application of Article 61 and following Articles of the "Règlement" of this force.

[In regard to the recruiting, the Sublime Porte shall undertake to furnish the full number of gendarmerie recruits, and to bring, when necessary, this contingent up to its full complement by selecting soldiers from the regular army, in entire conformity with the demands presented by the General in charge of the reorganization.]

5. The customs surtax should not be brought into force until two months after the ratification by the Governments concerned of the Agreement concluded with the Sublime Porte as to the question at issue.

(Signed) CALICE.
BARON DE MARSCHALL.
J. ZINOVIEW.
IMPERIALI.
A. BOPPE.
G. BARCLAY

Yenikeuy, September 17 (30), 1906.

No. 96.

Sir Edward Grey to Sir E. Egerton.

Sir, *Foreign Office, October* 10, 1906.

THE Italian Ambassador spoke to me to-day on the subject of the 3 per cent. increase in the Turkish Customs dues. He observed the increase was to be limited to seven years, but the Financial Commission was only appointed for two years. It seemed, therefore, reasonable that the Commission should continue for the same term of seven years. He thought the Porte would probably not object to the prolongation of the appointment of the Commission.

I said that it was certainly my opinion that the Financial Commission should be prolonged as long as the increase in the customs was levied. We have given our consent to the increase on certain conditions, and if the increase came into force we should hold that our consent would be dependent upon the conditions being observed by the Porte, not for one or two years, but for the whole term of the increased customs dues. And if at any time within the seven years the Porte failed to fulfil those conditions, our consent to the continued levy of the increase would be withdrawn.

I am, &c.
(Signed) EDWARD GREY.

No. 97.

Sir Edward Grey to Sir E. Goschen.

Sir, *Foreign Office, October* 18, 1906.

I OBSERVED to the Austro-Hungarian Ambassador to-day that, though no answer had yet been received on the subject of the increase of the customs dues in Turkey, one consequence of the increase of the duties, if agreed to, should be that the Financial Commission should be renewed at the proper time as long as the increase of duties lasted. The Financial Commission was intrusted with drawing up the Budget of Macedonia, and unless it was in existence there would be no means of applying properly the money raised by the increased customs dues. I thought also that the unquestioned power to be obtained by the Financial Commission to settle the civil Budget should be used for such purposes as the reform of the judiciary.

The Ambassador said he thought it was too soon to raise these new questions.

I told him that I was not raising them officially at this moment, nor was I intending that representations on these points should be made to the Porte. All that was in my mind was that, when the time came for drawing up the next Macedonian Budget, our Representatives on the Financial Commission should be instructed to make use of their powers in drawing up that Budget for purposes of reform, especially with regard to the judiciary. I thought this must surely be within their powers, as it had been the view of Lord Lansdowne and, I thought, of all the other Governments, that financial reform underlay all other reforms, and if once the Financial Commission could be called into existence it would be a means of carrying out reforms progressively.

Count Mensdorff said that he remembered very well that this had been Lord Lansdowne's view throughout, and was what they had all hoped.

I am, &c.
(Signed) EDWARD GREY.

No. 98.

Sir Edward Grey to Mr. G. Barclay.

Sir, *Foreign Office, October* 25, 1906.

I HAVE received your despatch of the 30th ultimo, transmitting copy of the joint note to the Porte laying down the conditions subject to which the Powers are prepared to give their consent to the 3 per cent. increase in the Turkish customs duties.

The terms of the note in its final form as now forwarded by you are approved by His Majesty's Government.

As you are aware, this question has seriously occupied public attention in this country, both on account of the magnitude of trade interests involved, and of the genuine anxiety entertained in regard to the progress of Macedonian reform.

It appears to me therefore desirable, at the moment when His Majesty's Government have subscribed to a collective note to the Porte containing the irreducible *minimum* of the conditions upon which they are prepared to assent to the proposed increase, to review in detail their policy and the considerations upon which that policy is based.

Under the Capitulations it is incumbent upon the Ottoman Government to obtain the consent of the Powers, entitled to certain contractual privileges, before increased duties can be levied upon foreign goods imported into Turkey. The dues in question were originally, and by ancient custom, fixed at 3 per cent. This rate was confirmed in 1809 by the Treaty of the Dardanelles. By the Commercial Treaty of 1861 the import duty was limited to 8 per cent. *ad valorem*, or a specific duty fixed by common consent, equivalent thereto. In 1883 this Treaty terminated, and duties were thenceforth levied on a basis of 8 per cent. *ad valorem*.

Various attempts have been made by the Ottoman Government to secure the adhesion of the Capitulatory Powers to the increase of this duty. It does not appear that any useful purpose can now be served by a review of the earlier phases of this question.

When, however, in 1900, the Sublime Porte approached the foreign Representatives with a proposal to raise the customs duties from 8 per cent. to 11 per cent. *ad valorem*, pending the conclusion of new Commercial Treaties, Her Majesty's Govern[illegible] ment laid down certain conditions which would require to be met before they could [illegible] principle take the scheme into consideration. These conditions dealt with sev[illegible] important questions connected with British trade and shipping in the Ottoman Em[illegible] and were similar to those which are now demanded.

In the year 1902 His Majesty's Government consented to continue the nego[illegible] tions, which had been interrupted for some years, for a new Treaty, of which a T[illegible] was to form part; but the action of the Porte in certain matters of commerce [illegible] navigation led to a postponement of a meeting between the Delegates of His Maje[illegible] Government and the Porte.

In 1904 the Porte proposed the resumption of these negotiations. The invita[illegible] was declined, as the moment was considered to be ill-chosen for the purpose.

Up to this time the negotiations were essentially commercial; but they also assu[illegible] a political character when, in February 1905, the Ottoman Government proposed to [illegible] Powers that the proceeds of the increased duties should be applied to meet the de[illegible] in the Budgets of the three Macedonian vilayets.

It will not be out of place to summarize briefly the more recent phases of [illegible] Macedonian question, and to show the connection existing between them and the [illegible] mercial considerations involved in the proposals of the Porte.

For the last five years the state of affairs in Macedonia has given rise to [illegible] anxiety. The evil effects of local misgovernment have been intensified b[illegible] feuds and racial animosity, while the conflicting aims of limitrophe States ha[illegible] hampered the work of reform. The possibility of extended disturbance [illegible] perforce the attention of the Powers of Europe; and they have endeav[illegible] the interest of the populations of Macedonia and in the cause of general

effect such measures of administrative improvement as were calculated to conduce to security of life and protection of property.

Various schemes of reform were attempted, and His Majesty's Government gradually became more actively interested in their practical application, and in the widening of their scope. Amongst these was included the reorganization of the gendarmerie, which was intrusted to foreign officers with a moderate degree of success; but it became increasingly apparent that no measures of reform could usefully be undertaken if official salaries were to remain unpaid, and expenditure incidental to progress was to be irregularly discharged.

In a despatch, dated January 1905, to His Majesty's Ambassador at Paris Lord Lansdowne had insisted with much force upon the need for financial reform, which was not merely ancillary, but fundamentally indispensable to every other reform. He suggested as one of the essentials to any scheme designed to effect a permanent improvement in the administration of Macedonia, the appointment of a Commission consisting of Delegates nominated by the Powers, who should have as one of their duties the supervision of the finances of the vilayets.

When, therefore, in the following month the Turkish Government proposed that the yield of the augmented customs dues should be devoted to the additional burdens of the Macedonian Treasury, this proposal was not unwelcome to His Majesty's Government, inasmuch as it afforded, under proper safeguards, a convenient lever for the advancement of Macedonian reform, without being necessarily in conflict with the commercial aspects of the question. They did not, however, fail to make it quite clear that they could only consent to the proposed change if it were established beyond doubt that the Ottoman Government were prepared to comply with certain essential conditions which must include the institution of the proposed Commission.

His Majesty's Government decided, while stimulating the scheme of reform, in which they displayed the keenest interest, to endeavour to secure the redress of existing commercial abuses as an indispensable preliminary to the assent of this country to an augmented Tariff.

On the 27th February, 1905, Lord Lansdowne addressed a note to the Turkish Ambassador, setting forth in some detail the attitude of His Majesty's Government in regard to this subject. The following extracts afford an adequate indication of this attitude:—

" . . . . Your Excellency may rest assured that His Majesty's Government have no intention of offering needless opposition to any well-considered measure which may be put forward with the object of placing the finances of the vilayets in a satisfactory condition.

"The proposals laid before me by your Excellency are, however, of a kind to which His Majesty's Government cannot assent, even in principle, without explanations fuller than any which have yet been vouchsafed as to their character, and as to the circumstances under which they have been advanced. Until such explanations have been afforded, they can scarcely be expected to assent to changes in the Customs Tariff. . . . .

"Among the points which require elucidation I may mention the following:—

"Your Excellency was good enough to inform me that the special Budget which the Imperial Government are preparing for the three vilayets shows a deficit which is to be met from general revenues in so far as these afford a sufficient margin for the purpose. This deficit is, I understand, estimated by the Inspector-General of Macedonia at £ T. 800,000. . . . . It will be necessary to convince His Majesty's Government that the Budget has been prepared with due regard to the real needs of the Administration, and that, while provision has been made for the payment of adequate salaries to the officials, care will be taken to prevent unnecessary expenditure, and to insure the proper collection and application of the local revenue. . . . . Nor is it possible to form a judgment as to the financial situation until it has been ascertained whether the expenditure incurred in maintaining the large military forces at present employed in Macedonia cannot be confined within more reasonable limits. His Majesty's Government regard this question as one of primary importance.

"Irrespective of these considerations, it seems to His Majesty's Government essential that before an increase of the existing Tariff is sanctioned by the Powers it should be established to their satisfaction that that Tariff is enforced in such a manner as to secure to the Turkish Government the full advantage accruing from the honest and efficient collection of the existing customs duties. They are far from satisfied that this is at present the case. . . .

"It has been more than once my duty to inform you that in no circumstances would His Majesty's Government be able to entertain proposals for an augmentation of the Tariff unless certain abuses connected with it, under which the trade of the British Empire has for a long time suffered, were effectually redressed. Amongst other questions of this kind are the necessity for an improvement of the Turkish custom-house accommodation, the condition of which is at present, particularly in the ports of Beyrout, Salonica, Mersina, and Bussorah of a nature which can only be described as scandalous, and the questions of light dues, sanitary dues, and quarantine . . . . It will be absolutely necessary to satisfy His Majesty's Government that,

in any new arrangement which may be adopted adequate provision is made for the removal of these abuses.

"Assuming the above questions to have been satisfactorily disposed of, and a case to have been made out for raising the duties, it will be necessary to determine under adequate guarantees the portion of the additional yield which is to be devoted to those administrative reforms for the sake of which the increase is demanded. His Majesty's Government are advised that 25 per cent. of the increased revenues must, under the 'Décret-Annexe' of 1903, be applied to the reduction of debt, the remaining 75 per cent. being payable to the Turkish Government. . . . . It is to be feared that this contribution, even intact, will be altogether insufficient to establish financial equilibrium in Macedonia. It seems in any case indispensable that there should be a definite assignment of the proceeds of the increased duties to some competent authority, intrusted with the collection and control not only of these funds, but of the local revenues which they are intended to supplement."

It is now necessary to revert to the progress of reform in Macedonia. The proposals made by Lord Lansdowne in January 1905 for European, as distinct from Austro-Russian, control over administrative improvement ultimately crystallized in an agreement among the Powers to press for the establishment of a Commission, composed of their Representatives appointed *ad hoc*, who should be intrusted with the supervision of the finances of the three vilayets.

While His Majesty's Government accepted this arrangement as the only solution on which agreement could be obtained, they repeatedly expressed their own disinclination to limit too strictly the functions of the Commission. They held that not only the financial system, but other branches of the Administration, and particularly the Courts of Justice, should be placed under international control.

The demands of the Powers were embodied in a note, presented to the Porte on the 8th May, 1905; but they met with prolonged obstruction, and were eventually accepted, in a modified form, only in consequence of a naval demonstration, carried out in the following December by an international squadron.

On the 18th December I informed the Turkish Ambassador that His Majesty's present Government could not consent to the proposed increase except upon the conditions formulated by Lord Lansdowne in his note of the 27th February, 1905.

The Ottoman Government continued, however, to press for the sanction of the Powers, and on the 31st January I addressed a despatch to His Majesty's Ambassador at Constantinople, explaining the attitude of His Majesty's Government in regard to the state of the question at that time. After adverting to the conditions laid down by Lord Lansdowne, I stated that—

"It is impossible to admit that these conditions have yet been satisfied. But some progress has been made in that direction, and His Majesty's Government do not wish to urge their demands in a manner which would tend to obstruct further advance.

"As regards the financial condition and requirements of the three Macedonian vilayets, the International Financial Commission has now commenced its work of inquiry, and although it has pronounced itself unable to enter into the question of military expenditure, it has already come to the conclusion that the revenues of the vilayets must be largely supplemented in order to meet the costs of the administration.

"It is difficult to suggest any alternative for providing this assistance preferable to the proposed increase of the customs duties, and provided that their other conditions were satisfied, His Majesty's Government would not oppose the increase being levied provisionally for the space of a year for the purpose of assigning the proceeds to the relief of the vilayets."

Sir N. O'Conor reported on the 18th February that all the Ambassadors were of opinion that it was quite impracticable to limit the duration of the surtax to one year, and his Excellency indicated seven years as a reasonable term.

Finally, after protracted negotiations, a collective note, signed by the Representatives of all the Powers, was presented to the Porte on the 28th May.

It is unnecessary here to reproduce the text of this note, which was virtually rejected by the Ottoman Government on the 21st June. In view of the terms of the reply, it appeared desirable to render more precise the demands of the Powers, the more so since the Porte had failed, since the date of the first note, punctually to fulfil its obligation to make good the Macedonian deficit from Imperial funds, an engagement given expressly in return for the inclusion of military expenditure in the Provincial Budget.

His Majesty's Government therefore addressed a Circular to the Powers, in which the opinion was expressed that the moment had arrived to review the situation which had arisen, and to reconsider the terms upon which the assent of the Powers might be given to the proposed increase.

An agreement has now happily been reached upon all the points in question; and,

while it was not found possible to obtain the assent of all the Powers to a stipulation that the military expenditure chargeable to the Macedonian Budget should be limited, an alternative proposal, to invest the Financial Commission with undisputed power to fix the Civil Budget and thus protect it from the inroads of the military expenditure, has found unanimous acceptance.

In these circumstances it has been possible for all the Representatives of the Powers to sign the collective note which forms the inclosure in your despatch.

In examining the significance of its several provisions, and their effect upon commercial development and the desired reforms in Macedonia, it may be convenient to recall the points which, in his note of the 27th February, 1905, to Musurus Pasha, Lord Lansdowne had laid down as calling for investigation. They were substantially as follows:—

1. Whether the Budget for the three vilayets, which shows an estimated deficit of some £ T. 800,000, has been prepared with due regard to the real needs of the Administration, and whether care has been taken to avoid unnecessary expenditure; also whether the large military expenditure cannot be confined within more reasonable limits.
2. Whether the existing Customs Tariff is enforced in such a manner as to secure to the Imperial Exchequer the full advantage accruing therefrom.
3. The revision of the Chemical Analysis Regulations in the Customs.
4. The introduction of a modification of the Mining Laws.
5. The improvement of the Customs accommodation of certain ports of the Empire, notably Beyrout, Salonica, Mersina, and Bussorah.
6. The reduction of the light dues.
7. The reduction of the sanitary dues.

For facility of exposition I deal primarily with the commercial provisions.

Various estimates have been formed as to the maximum yield, under favourable circumstances, of the existing Tariff of 8 per cent. *ad valorem*. It is, nevertheless, idle to pretend to precision upon a point which, in the absence of reliable statistics and recognized authority, must of necessity be problematical and subject to conjecture. The only practical solution is to be sought in the institution of the requisite machinery; and, in the Council of the Ottoman Debt, entitled by the Decree of Mouharrem and the Supplementary Decree of 1903 to supervise the collection of the ceded revenues, such machinery is automatically created by the very act of an increase in the customs duties. If, then, the yield of the additional duty is definitely established, the proceeds of the existing Tariff will simultaneously be determined; and an all-round improvement in the Customs Administration, to the promotion of trade and the general advantage, will not improbably result.

The duration of the surtax is limited and provisional, the period of its imposition having been fixed at seven years.

Points 3, 4, and 5 of Lord Lansdowne's conditions are fully dealt with in the collective note, and in order to preclude all possibility of misunderstanding as to improvements in the Customs accommodation, a definite sum has been mentioned to be devoted to this purpose.

Two further points call for comment—to wit, the reduction of light-house and of sanitary dues.

In virtue of an Agreement concluded in 1896, by which the concession of the Light-house Commission was extended till September 1924, with a reduction in dues of 10 per cent. for the first ten years and 20 per cent. for the fifteen years following, it has now been recognized that all discussion on the subject is postponed till 1919—the time fixed for the two Governments to elaborate a revised Tariff.

Finally, the reduction of the sanitary dues falls within the purview of the Commission for the revision of the Sanitary Tariff, which has been in conference on the subject. Each Power represented at the Constantinople Board of Health has a Delegate upon this Commission, and with them (and not with the Ottoman Government alone, though subject to its sanction) rests the power of reducing the dues. Before the Porte can be definitely approached on this subject, it is necessary to be in the presence of a decision of the Commission in favour of the reduction; and such a reduction is understood to be no less desired by Turkish officials than by His Majesty's Government.

I pass now to the provisions relating to Macedonia, and from this aspect the determining factor in the decision of His Majesty's Government has been their sincere

desire to promote the cause of reform in the three vilayets, and in view of the conditions laid down in the collective note, they are of opinion that they are no longer justified in withholding their assent from the proposed increase of the customs dues.

I shall allude later in this despatch to the considerations which indicate that increased revenues are in effect required, if an equilibrium is to be maintained in the finances of the vilayets. From the moment this cardinal premiss is established, it remains to secure the most favourable conditions in return for the increase in question. Failure to secure adequate guarantees for its application would lead to abuses and maladministration, and would not improbably intensify precisely those evils which the Powers are determined to combat.

A certain control over the estimates and expenditure of the provincial Budgets, as over the collection of the local revenues, is no doubt vested in the Financial Commission. This body is precluded from exercising any supervision over the military expenditure, but it has been agreed that it must receive undisputed power over the civil Budget. It is quite evident that no proposal to limit the military expenditure of the Ottoman Government would receive the assent of all the Powers; in these circumstances it was preferable to accept a possible alternative rather than to cling to an impracticable ideal. The obligations of the Sublime Porte upon this point are embodied in clause 2 of the collective note which insures the Macedonian Budget against financial embarrassment arising from increase of military expenditure. The same clause provides that all the available portion of the new revenues (75 per cent.) shall be devoted to the Macedonian Budget, and for that purpose be handed to the competent authorities by the Council of the Debt. Further, the Council undertakes to meet the deficit which, after payment of the surtax, may still remain in that Budget, to the extent of £T. 250,000 per annum.

The note further provides for the regular supply of an adequate number of recruits for the gendarmerie, and emphasizes the right of intervention on the part of the gendarmerie in cases of crime.

His Majesty's Government have witnessed the inclusion of these points in the collective note with much satisfaction. They consider that this document, if accepted by the Porte, will be in the nature of a bilateral Agreement, and that failure of one party to observe its provisions will, as a matter of course, absolve the other from the corresponding obligations.

The establishment of the Macedonian Budget upon a sound financial basis should serve to promote the cause of reform in other branches of the Administration. His Majesty's Government are hopeful that under these more favourable auspices progress in the future will be more marked; that the gendarmerie will be increased and its reorganization proceed with renewed vigour; that much-needed revision will be undertaken in the Courts of Justice; and that public works and prison accommodation will be seriously taken in hand.

I cannot conclude this despatch without adverting to widespread apprehensions which, to judge from various newspaper comments, appear to be entertained in this country that the increase of the Turkish customs duties will set free other revenue which may be utilized for the promotion of foreign enterprise, detrimental to British interests, in the Turkish Empire. It has been urged upon this score, with some insistence, that His Majesty's Government should withhold their consent from any augmentation of the Tariff.

In reply to this argument, I would refer to Sir N. O'Conor's despatch of the 27th June, in which he justly pointed out that:—

"In undertaking to make good the deficits in the Budget of the three Roumelian vilayets, under Article 12 of the Agreement with the Imperial Ottoman Bank, the Porte assumed a new financial obligation, and one which it was wholly unable to meet out of its existing revenues. Thus, in order to find the money to cover the monthly deficits of £T. 68,000 during the last fifteen months, the Government has been obliged to have recourse to temporary loans, with the result that certain revenues have been anticipated up to the end of the financial year 1907–1908.

"It is unlikely that the pecuniary straits of the Imperial Government will be less in the immediate future than in the past, and even supposing that the 75 per cent. of the new duties reverting to the Treasury should suffice to cover the whole of the annual deficit, which for the current year is calculated at £T. 822,500, the ordinary revenue of the country will not thereby be improved. The Government will merely be relieved of the necessity of raising temporary loans as in the past fifteen months. In these circumstances, I think that the apprehensions to which I have alluded above are based on a misconception of the situation."

His Majesty's Government do not consider that they would be justified in continuing to maintain an attitude of isolated opposition to the proposed increase. Their

predecessors indicated early in 1905, when the proposal for the establishment of a Commission was first mooted, that in the event of its acceptance by the Porte they would be prepared conditionally to assent to the imposition of the higher duties. The fact that the Ottoman Government agreed to its institution, though they did so grudgingly and not without modifications, constituted a partial compliance with the conditions laid down by His Majesty's Government, and removed to some extent the reasons for opposition. If the Ottoman Government now accept the joint note, embodying as it does all the other safeguards which His Majesty's Government consider indispensable, the objects which it has all along been their aim to secure will have been attained.

His Majesty's Government are satisfied that, in that event, the revised Tariff will, by supplying the Ottoman Government with additional funds, prove beneficial to the reforms in Macedonia; without some such assistance it is probable that the whole scheme of reform would have broken down; and they see good reason to hope that British commercial interests will profit to an extent proportionate to their importance by the removal of abuses which have long impeded the development of trade with the Ottoman Empire.

I am, &c.
(Signed) EDWARD GREY.

No. 99.

Mr. G. Barclay to Sir Edward Grey.—(Received November 5.)

Sir, *Constantinople, October 31, 1906.*

WITH reference to my despatch of the 30th September, I have the honour to report that I have lost no opportunity of impressing upon the Porte the desirability, in Turkey's own interest, of a prompt and complete acceptance of the conditions attached to the consent of the Powers to the 3 per cent. increase in the customs duties. On the 15th instant I was informed by the Minister for Foreign Affairs that the Council of Ministers had reported to the Palace in favour of accepting our demands, though I understood at the time that this decision had not been unanimous. At my interview with the Grand Vizier this afternoon I inquired when an answer might be expected. His Highness told me that the matter was meeting with opposition. There was to be a Special Council of Ministers at Yildiz on Saturday, the 3rd proximo, where every effort would be made by the Grand Vizier and the Minister for Foreign Affairs to persuade the dissentients. Although His Highness did not hold out any certain hopes of success, he gave me the impression of being himself hopeful, and Mr. Lamb, who saw some of the higher officials at the Porte, tells me that the prevailing impression seemed to be that the Sultan's Iradé for the reply to our note would not now be long delayed.

I have, &c.
(Signed) G. BARCLAY.

No. 100.

Mr. G. Barclay to Sir Edward Grey.—(Received November 14.)

Sir, *Constantinople, November 10, 1906.*

I HAVE the honour to forward copy of the answer, which the Embassies have received to their joint note of the 30th September last, in which were set forth the conditions subject to which the Powers are ready to give their consent to the 3 per cent. increase in the Turkish customs duties. The answer was accompanied by copies of the new Mining and Chemical Analysis Laws, of the Petroleum Storage Regulations and of the Porterage Tariffs for Constantinople and Smyrna. I do not send these, as they are in Turkish, but French translations are being prepared at the Porte, which I shall have the honour to transmit as soon as they have been communicated to me, and have been compared with the Turkish versions.

As you will observe, the note from the Porte is worded with unusual precision. It is clearly intended as a complete acceptance of our conditions, though I presume that as regards the improvements in the Customs Administration not specifically mentioned in the note, but comprised in the expression "Règlement Douanier," His Majesty's Government will require, before deciding to give its consent to the increased

duties, more explicit information than is contained in the words: "La Sublime Porte réitère le contenu de ses différentes communications à ce sujet, qui ont donné pleine satisfaction aux intérêts du commerce."

Mr. Weakley returns on the 13th instant, and I hope that I shall shortly be in a position to report what progress has been made in carrying out the promised improvements since Sir N. R. O'Conor's last Report on the subject of the 27th July.

I have, &c.
(Signed) G. BARCLAY.

Inclosure in No. 100.

Note communicated to Foreign Embassies by Sublime Porte.

Le 9 Novembre, 1906.

LA Sublime Porte a eu l'honneur de recevoir la note collective que leurs Excellences les Ambassadeurs d'Autriche-Hongrie, d'Allemagne, de Russie, d'Italie, et MM. les Chargés d'Affaires de France et de Grande-Bretagne ont bien voulu lui adresser en date du 17 (30) Septembre, 1906, pour lui faire part des conditions auxquelles leurs Gouvernements respectifs subordonnent l'acceptation par eux, pour une durée de sept ans, de la majoration douanière de 3 pour cent.

Ces conditions étant conformes aussi bien aux arrangements existants qu'à la correspondance échangée à ce sujet avec les Missions étrangères, la Sublime Porte, se basant sur une décision du Conseil des Ministres, sanctionnée par Iradé de Sa Majesté Impériale le Sultan, s'empresse de faire les déclarations suivantes:—

1. Loi des Mines, le Règlement sur les Analyses Chimiques, et le Règlement pour l'Emmagasinage du Pétrole ayant été modifiés selon les désirs exprimés par les Ambassadeurs, la communication officielle en est faite par note séparée à MM. les Représentants étrangers. Quant au Règlement Douanier, la Sublime Porte réitère le contenu de ses différentes communications à ce sujet, qui ont donné pleine satisfaction aux intérêts du commerce. Toutes ces nouvelles dispositions étant conçues de façon à sauvegarder les intérêts existants, aucun doute ne saurait plus subsister à cet égard. Le Gouvernement Impérial vient d'affecter une somme de £ T. 100,000 à la reconstruction et à l'amélioration des locaux douaniers, et une partie importante de ces travaux est déjà en voie d'exécution. La question du "hamalage" aussi vient d'être réglée d'une manière définitive et satisfaisante. Les nouveaux Tarifs ainsi établis pour les Douanes de Constantinople et de Smyrne, et comportant des taxes fixes et modérées, sont communiqués aux Ambassades également par la même note séparée.

2. La part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial sur les sommes encaissées du chef de la majoration douanière sera exclusivement consacrée aux besoins financiers des trois vilayets de Roumélie. Une entente est intervenue avec l'Administration de la Dette Publique Ottomane, qui s'engage à verser entièrement au budget desdits vilayets la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière.

Quant à la demande de MM. les Ambassadeurs que la Dette Publique s'astreint à couvrir annuellement le déficit jusqu'à concurrence de £ T. 250,000, les démarches nécessaires ont été déjà faites auprès de ladite Administration. L'arrangement définitif interviendra immédiatement après le retour du Président du Conseil de la Dette et les deux arrangements seront communiqués aux Ambassadeurs sans retard.

Le Gouvernement Impérial étant résolu à observer la totalité des prescriptions du Règlement fixant les attributions de la Commission Financière, il est bien entendu que dans le cas où ladite Commission, agissant en vertu des dispositions de l'Article 6 du Règlement précité, aura à rectifier dans les chapitres des recettes et des dépenses les dispositions qui ne seraient pas conformes aux lois existantes ou ne répondraient pas aux besoins économiques et financiers du pays, ou que, à raison de l'insuffisance dudit budget relativement aux prévisions voulues pour le besoin de l'administration civile, y compris la gendarmerie et la police, elle y apportera les rectifications nécessaires, la Sublime Porte se conformera entièrement aux rectifications introduites par la Commission.

De même, il est bien entendu que, dans le cas où, du fait des mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial, les

dépenses des trois vilayets de Roumélie viendraient à être augmentées et que par suite les revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, la Sublime Porte, conformément aux dispositions de l'Article 2 de la note collective des Ambassadeurs en date du 28 Mai dernier, sera obligée de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre elle et la Banque Impériale Ottomane.

3. Le Gouvernement Impérial s'engage à ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

4. Le Gouvernement Impérial vient de donner à qui de droit les instructions nécessaires afin que la gendarmerie des trois vilayets soit armée de fusils à répétition, type nouveau.

Le Ministère de la Guerre ainsi que l'Inspecteur-Général des trois vilayets ont également reçu des ordres pour l'exécution des dispositions légales interdisant le port d'armes à la population civile, et pour que les autorités civiles et militaires prêtent leur concours aux officiers de gendarmerie afin d'assurer la stricte application des Articles 61 et suivants du Règlement de cette arme.

Pour ce qui a trait au recrutement, la Sublime Porte s'engage à fournir et à compléter le contingent intégral des recrues pour la gendarmerie en pleine conformité des demandes présentées par le Général réorganisateur.

5. La surtaxe douanière sera mise en vigueur deux mois après la ratification par les Gouvernements intéressés du présent accord.

L'entente s'étant ainsi définitivement établie, la Sublime Porte aime à espérer qu'elle ne tardera pas à être ratifiée par les Gouvernements intéressés afin de permettre l'entrée en vigueur du régime nouveau dans le délai le plus court.

(Translation.)

November 9, 1906.

THE Sublime Porte has had the honour to receive the collective note which their Excellencies the Austro-Hungarian, German, Russian, and Italian Ambassadors, and the French and British Chargés d'Affaires have been so good as to address to it on the 17th (30th) September, 1906, to inform it of the conditions subject to which their respective Governments are prepared to accept the customs increase for a period of seven years.

As these conditions are in accordance both with existing arrangements and the correspondence exchanged on this subject with the foreign Missions, the Sublime Porte, acting on a decision taken by the Council of Ministers, sanctioned by Iradé of His Imperial Majesty the Sultan, begs to make the following declarations:—

1. As the Mining Law, the "Règlement" in regard to Chemical Analysis, and the "Règlement" as to the Storage of Petroleum have been modified in accordance with the wishes expressed by the Ambassadors, the official communication thereof is made in a separate note to the foreign Representatives. In regard to the Customs "Règlement," the Sublime Porte reiterates what it has already stated in its various communications on this subject, which have given full satisfaction to commercial interests. As all these fresh provisions have been planned with a view to protecting existing interests, no further doubt can exist with regard to them. The Imperial Government have just assigned a sum of £ T. 100,000 for the rebuilding and improvement of customs localities, and an important part of these works has already been commenced. The question of "hamalage" has also just been settled in a final and satisfactory manner. The fresh Tariffs thus established for the Customs of Constantinople and Smyrna, with fixed and moderate duties, are also communicated to the Ambassadors in the same separate note.

2. The portion which, by virtue of existing laws, shall remain at the disposal of the Imperial Government out of the sums encashed on account of the customs increase shall be exclusively devoted to the financial requirements of the three Roumelian vilayets. An understanding has been arrived at with the Administration of the Ottoman Public Debt, who undertake to pay to the Budget of the said vilayets the whole of the portion reverting to the Imperial Government out of the proceeds of the customs surtax.

With regard to the request of the Ambassadors, that the Public Debt should agree to meet annually the deficit to the amount of £ T. 250,000, the necessary steps have already been taken at the said Administration. The final Agreement will be arrived

at as soon as the President of the Council of the Debt returns, and the two Agreements will be communicated to the Ambassadors without delay.

As the Imperial Government are determined to observe all the recommendations of the "Règlement" defining the duties of the Financial Commission, it is fully understood that if the said Commission, acting by virtue of the provisions of Article 6 of the above-mentioned "Règlement," shall have to modify in the matter of receipts and expenditure such provisions as are not in accordance with existing laws, nor in harmony with the economic and financial requirements of the country, or, if by reason of the insufficiency of the said Budget relative to the estimate of the requirements for the Civil Administration, including the gendarmerie and police, it shall introduce the necessary modifications, the Sublime Porte shall accept fully the modifications introduced by the Commission.

It is also fully understood that if, in consequence of measures taken without the consent of the Financial Commission by the Imperial Government, the expenditure of the three Roumelian vilayets were to be increased, and that therefore the revenues assigned for their Budget were found insufficient to meet the fresh deficit thus created, the Sublime Porte, in conformity with the provisions of Article 2 of the collective note from the Ambassadors of the 28th May last, shall have to furnish additional guarantees to assure the fulfilment of the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank.

3. The Imperial Government undertake not to impose on Customs operations fresh taxes of an uncertain or unlooked-for character, in the shape of a stamp duty, or in any other manner.

4. The Imperial Government have just issued the necessary instructions for the armament of the gendarmerie of the three vilayets with repeating rifles (new style).

The Ministry of War, as well as the Inspector-General of the three vilayets, have received orders to carry out the legal provisions prohibiting the carrying of arms by the civil population, and to see that the civil and military authorities shall assist the gendarmerie officers with a view to assuring the strict application of Article 61, and the following Articles of the "Règlement" respecting this force.

With regard to recruiting, the Sublime Porte undertakes to furnish and to bring up to its full complement the contingent of gendarmerie recruits in complete accordance with the demands presented by the General in charge of the reorganization.

5. The customs surtax shall be brought into force two months after the ratification by the Governments concerned of this Agreement.

As an understanding has thus been definitely established, the Sublime Porte trusts that it will be ratified without delay by the Governments concerned, in order to allow the new régime to come into force with the least possible delay.

No. 101.

Sir Edward Grey to Mr. G. Barclay.

(Telegraphic.) *Foreign Office, November* 16, 1906.

YOUR despatch of the 10th instant.

His Majesty's Government cannot accept the Turkish Note until (1) a satisfactory arrangement respecting the Debt's guarantee of 250,000*l.* has been concluded; and (2) until Mr. Weakley's Report has been received, showing whether substantial progress has been made with the Customs improvements, &c.

No. 102.

Mr. G. Barclay to Sir Edward Grey.—(*Received November* 26.)

Sir, *Constantinople, November* 21, 1906.

IN continuation of my despatch of the 10th instant, I have the honour to transmit French translations of the New Mining Law,* the Chemical Analysis Regulations, and the Petroleum Storage Regulations, which have now been communicated to the Embassies by the Porte through the doyen, the German Ambassador.

The Petroleum Regulations do not specially concern us, and the other two

translations are, as will be seen by the inclosed Memorandum by Mr. Lamb, not materially different from those already sent home.

I am submitting the porterage tariffs for Constantinople and Smyrna to the British Chamber of Commerce in this capital, and to Mr. Consul-General Cumberbatch, for their opinions as to whether the tariffs are really moderate as stated by the Porte, and Mr. Weakley is investigating the improvements effected in the custom-house arrangements since his last report. I fear there may be some little delay before I can acquaint you with Mr. Weakley's conclusions, as all that he learns at the Ministry of the Customs will, of course, have to be checked by our Consuls at the ports where our trade is most interested.

As regards the negotiations between the Porte and the Public Debt with a view to the guarantee by the latter of £ T. 250,000 each year for Macedonia, I have the honour to report that M. Berger, the President of the Council of the Debt, telegraphed last week that he could not return to Constantinople for three weeks. Baron Marschall told me that M. Berger's change of plans might possibly involve more than three weeks' delay, as it might not now be possible to submit the arrangement with the Porte for the increase in the customs duties for Parliamentary ratification in Paris and Berlin until after the Christmas recess. Baron Marschall has always been anxious that the increased duties should come into force as soon as possible, and he seemed to think there was a chance of coming to an understanding with the Debt before M. Berger's return.

There was a meeting of the Council of the Debt yesterday, but I am informed by Mr. Block that there was no mention of the contemplated arrangement.

I have acquainted the Porte with the contents of your telegram of the 16th instant, and I am informing my colleagues, by all of whom the Porte's note is regarded very favourably. The arrangement with the Debt for the guarantee of £ T. 250,000 for Macedonia will, of course, have to be communicated to them before they are prepared to give their consent to the increased duties, but, as regards the customs reforms, they have never been very precise in their requirements, and I do not think they would wish now to be particular as to the measure of improvement to be insisted on.

I have, &c.
(Signed) G. BARCLAY.

Inclosure 1 in No. 102.

Chemical Analysis Regulations promulgated May 20, 1905 (o.s.).

Dispositions Générales.

ARTICLE 1er. Les marchandises énumérées ci-dessous sont soumises dans les douanes à une visite sanitaire:—

1. Les produits chimiques et pharmaceutiques et les spécialités.
2. Les beurres, huiles, et farines.
3. Les cafés et les thés.
4. Les boissons énumérées à l'Article 23.

Art. 2. Pour les visites sanitaires il y aura à l'Administration Générale des Contributions Indirectes, à Constantinople, un laboratoire où seront employés un chimiste en chef, trois chimistes, et un bactériologue. Ce laboratoire aura, à la douane des marchandises étrangères à Galata, une succursale à laquelle trois chimistes seront attachés. En outre, il y aura un chimiste aux douanes des ports de Smyrne, Salonique, Trébizonde, Scutari d'Albanie, Beyrouth, Alexandrette, Bassorah, et Tripoli d'Afrique.

Les chimistes seront rétribués et relèveront exclusivement, à Constantinople, de l'Administration Générale des Contributions Indirectes, et, dans les vilayets, de la Direction des Douanes. Dans les endroits où il n'y a pas de chimiste, c'est le médecin municipal qui sera chargé de la visite sanitaire. Si le médecin municipal déclare, par un rapport à la Direction de la Douane, qu'il est absolument impossible d'autoriser l'entrée de la marchandise sans analyse chimique, un échantillon en sera envoyé à la direction douanière la plus proche où se trouve un chimiste pour y être soumis à l'analyse.

Art. 3. Les chimistes devront être des sujets Ottomans et posséder un diplôme de chimiste. Ils sont nommés par l'Administration Générale des Contributions Indirectes après avoir prouvé leurs aptitudes par un examen passé en présence d'un fonctionnaire de la dite Administration et devant un jury composé du chimiste de la douane et de deux professeurs de chimie délégués par l'École Impériale de Médecine.

Art. 4. La visite et, au besoin, l'analyse des articles soumis dans les douanes à l'examen sanitaire, sera faite aussi promptement que possible par les chimistes de la douane. Les premières visites et analyses seront gratuites.

Art. 5. Les marchandises énumérées à l'Article 1er, et débarquées en douane, seront d'abord soumises par les douanes à la visite d'usage et inscrites dans les registres spéciaux. Puis on en prendra, en présence du propriétaire, des échantillons, qui seront divisés par la direction douanière et par le propriétaire en trois lots et mis, en présence du propriétaire, dans des vases ou bouteilles en verre dont l'orifice sera soigneusement fermé avec leurs propres couvercles et scellés conjointement au-dessus par la direction et par le propriétaire. Un de ces échantillons sera remis à la Commission Technique de la Douane, le second sera gardé à la direction douanière, et le troisième sera remis au propriétaire.

Les chimistes examineront immédiatement les échantillons par numéro d'ordre et conformément aux règles techniques. S'ils ne voient aucun inconvénient dans l'admission de la marchandise, les formalités de leur importation seront accomplies. Si, au contraire, à ce premier examen, ils conçoivent des doutes quant à la pureté des marchandises, ils procéderont, après en avoir avisé la direction douanière, à l'analyse de l'échantillon, analyse qui sera faite avec toute la promptitude possible et dans un délai maximum de trois jours. Si, à la suite de cette opération, ils arrivent à cette conclusion que l'entrée de la marchandise peut être autorisée, ils certifieront le fait au bas du registre et retourneront scellé l'échantillon. Ces marchandises seront alors admises à l'importation après paiement des droits douaniers.

Art. 6. Dans le cas où il serait constaté que les marchandises visitées sont mélangées, détériorées, ou nuisibles à la santé, les chimistes déclareront le fait sous leur signature dans le registre en regard de la marchandise inscrite. Ils garderont ensuite les échantillons, scellés et datés, pendant environ trente jours. Copie de la note de cette analyse sera donnée, contre récépissé, au propriétaire de la marchandise.

Art. 7. Si les intéressés n'acceptent pas le résultat de l'analyse, ils pourront, en s'adressant à la direction douanière, demander une nouvelle analyse dans le délai de trente jours, à partir de la date de la copie de la note d'analyse énoncée à l'Article 6. Passé ce délai, la demande ne sera pas admise.

Art. 8. Dans le cas où il serait demandé dans le délai légal une nouvelle analyse de ces échantillons, les intéressés en paieront d'abord, d'avance, les frais. La seconde analyse des échantillons sera faite en toute diligence et conjointement: à Constantinople, en présence d'un délégué de l'Administration Générale des Contributions Indirectes, par le chimiste en chef de la Douane, par les chimistes qui ont fait la première analyse, et par un autre chimiste désigné par l'intéressé. Dans les vilayets, également en présence d'un délégué de la direction douanière, par les chimistes de la Douane, par le chimiste désigné par l'intéressé, et par un troisième chimiste de la Direction de la Douane.

Dans cette seconde analyse l'avis de deux des chimistes sera considéré comme définitif.

Si, dans les endroits où il est impossible de trouver un troisième chimiste, l'intéressé n'accepte pas le résultat de l'analyse effectuée en douane, il a la faculté de demander que l'analyse soit faite à Constantinople.

Art. 9. La Direction de la Douane ne laissera pas entrer les marchandises reconnues inadmissibles, après examen. Après en avoir avisé le propriétaire, elle les fera réexpédier, selon la règle, au lieu de provenance, ou bien à un autre pays étranger du choix du propriétaire. Dans ce cas, ce dernier est tenu de remettre à la direction douanière le second connaissement constatant que la marchandise a été réexpédiée.

Art. 10. Dans le cas où la seconde analyse donnerait raison au propriétaire, les frais d'analyse, perçus d'avance par les directions douanières, lui seront restitués. Dans le cas contraire, le propriétaire n'aura pas le droit de demander la restitution de ces frais. Les marchandises restées dans les entrepôts douaniers durant les formalités des analyses ne paient pas de droit d'ardié.

Art. 11. Les frais de la seconde analyse sont 100 piastres. Les frais d'analyse réglementaire ne sont réclamés que pour un seul des échantillons d'une même espèce appartenant à un même commerçant dans le cas même où les récipients de ces

échantillons seraient multiples. Ces frais seront, par contre, perçus de chaque échantillon séparément si ceux-ci sont d'espèces différentes.

Art. 12. A la fin de chaque mois le chimiste en chef dressera des tableaux indiquant, avec désignation de l'espèce et de la marque de fabrique, les produits industriels qui, à la suite des analyses faites à Constantinople, peuvent être introduits sans être assujettis à l'analyse chimique. Ces tableaux seront, après examen, envoyés au fur et à mesure par l'Administration Générale des Contributions Indirectes aux directions douanières des vilayets. Les douanes locales laisseront entrer les produits y indiqués sans qu'il y ait besoin de les soumettre à l'analyse. Afin d'éviter une nouvelle visite sanitaire aux marchandises qui l'auront déjà subie à la capitale et qui seront expédiées en province, il sera porté sur le tezkéré, ou certificat douanier, délivré gratuitement une annotation disant qu'elles ont été déjà visitées à Constantinople.

Art. 13. Des poursuites légales seront exercées par l'Administration des Contributions Indirectes contre les chimistes qui commettraient des abus dans l'exercice de leurs fonctions ou qui susciteraient des difficultés aux opérations commerciales.

Préparations Chimiques et Pharmaceutiques et Spécialités.

Art. 14. Ne sont pas autorisés à entrer les médicaments dont la composition est inconnue ou dont la pureté est au-dessous des conditions énoncées dans le Code Pharmaceutique adopté par le Gouvernement Impérial. Toutefois, les produits médicaux de composition inconnue peuvent être admis, s'ils ont été adoptés par une Académie, Administration, ou corps technique ayant un caractère officiel, à la condition que le certificat y relatif, accompagné d'un échantillon et d'une liste indiquant, sans préciser la quantité, les éléments seuls qui les composent, en soient remis à la direction douanière et que les chimistes, examen fait, aient déclaré que la préparation est exempte de toute matière prohibée. Toutefois, les certificats devront être légalisés par les Consulats Ottomans.

En ce qui concerne les médicaments et préparations qui n'ont pas de certificat, on agira à leur égard d'après le résultat de la visite sanitaire ou, s'il y a lieu, de l'analyse chimique, à la condition qu'un échantillon et une liste qualitative de leurs éléments constitutifs soient préalablement remis à la Douane.

Art. 15. Si la qualité propre des préparations chimiques et pharmaceutiques et des spécialités dont l'entrée a été autorisée conformément à l'Article 14 est garantie par une marque de fabrique notoire, l'entrée en est facilitée et activée sans qu'il soit nécessaire de les soumettre, chaque fois, à une analyse.

Art. 16. Est interdite l'entrée des spécialités préparées avec les drogues suivantes, dont l'usage a été reconnu nuisible: cocaine, les composés sulfiteux, le sérum antituberculeux de Koch, la coque du Levant, la picrotoxine, la *canabis Indica* (préparation avec du hashish). Celles-ci sont réexpédiées conformément à l'Article 9.

Art. 17. Est interdite l'entrée des matières chimiques pouvant servir à la préparation de matières explosives, telles que chlorate de potasse, chlorate de soude, nitrate de soude, nitrate de potasse, les picrates, la nitroglycérine, et le fulmicoton. A leur arrivée en douane ces matières sont confisquées conformément à la loi et à la règle qui régissent la matière.

Art. 18. Parmi les matières prohibées énumérées à l'Article précédent, celles dont l'emploi est indispensable en médecine, telles que chlorate de potasse, chlorate de soude, nitrate de soude, nitrate de potasse, et les picrates, seront fournies sur garantie à chaque pharmacie et droguerie, par l'entremise de la Grande Maîtrise de l'Artillerie, aux prix originaux et en quantité fixée par la Direction de l'École Impériale de Médecine. Celles employées dans les industries et l'agriculture seront livrées dans les mêmes conditions en quantité désignée par les départements compétents.

Toutefois, l'entrée est autorisée pour les drogues, telles que pastilles de chlorate de potasse, &c., qui, par leur transformation en spécialités, sont devenues impropres à la fabrication de matières explosives.

Aliments, Liqueurs, et Boissons soumis à la visite sanitaire.

Art. 19. Les huiles et beurres reconnus, par la visite en douane, impropres à l'alimentation, comme étant mélangés de substances nuisibles à la santé, ou rances et détériorés, ne seront pas admis à l'importation. L'huile de coton destinée aux

usages industriels est admise après coloration. Les graisses et huiles végétales destinées également aux industries ne seront pas colorées, à condition toutefois qu'elles ne soient pas mélangées et qu'on les importe sous leurs vrais noms.

Toutes sortes de beurres et d'huiles dont l'entrée ne saurait être permise, dans leur état actuel, peuvent, néanmoins, etre admis sur le désir de leurs propriétaires, après avoir été colorés dans les conditions techniques.

Art. 20. Les farines qui seront trouvées après examen en douane être mélangées du plâtre, du sulfate de baryte, de la craie, du talc, de l'alum, et de la magnésie brute, ou qui ne contiendraient pas 6 pour cent de gluten au minimum, ne seront pas admises à l'importation.

Art. 21. Les cafés teints avec des matières minérales toxiques, telles que le vert de chrome, &c., et les thés artificiels ou falsifiés, ne seront pas admis à l'importation, et seront réexpédiés.

Art. 22. Pour les saucissons, boudins, jambons, et autres produits de charcuterie qui seront importés d'un pays où séviraient des épizooties, on ne se bornera pas seulement à la visite sanitaire, mais on demandera aussi la présentation d'un certificat délivré par les autorités du lieu d'origine et constatant que ces produits sont indemnes.

Art. 23. Est également interdite l'entrée en Turquie des liqueurs et boissons alcooliques qu'on aurait, pour leur conservation, mélangé d'acide salicylique, ou qu'on aurait, pour les rendre plus fortes, colorées ou falsifiées, en y ajoutant des matières nuisibles à un degré pouvant compromettre la santé. Les formalités pour les boissons alcooliques, telles que champagne, vins, cognacs, liqueurs de grand prix, provenant de fabriques généralement connues, et dont la qualité est constatée par les étiquettes des bouteilles, seront directement accomplies par les préposés de la Douane.

Art. 24. Parmi les marchandises soumises à la visite sanitaire celles dont l'examen au point de vue de leur coloration constaterait la présence de substances minérales toxiques, telles que des composés de plomb, chrome, mercure, cuivre, antimoine, et arsenic, ne seront pas admises en Turquie.

Art. 25. Le système en vigueur dans les douanes pour la visite et les formalités nécessaires des marchandises et articles qui y arrivent est maintenu, les dispositions de la présente loi concernant exclusivement les marchandises et articles qui comportent ou qui exigent une visite scientifique et une analyse chimique.

Art. 26. Les dispositions du Règlement en date du 6 Mai, 1300 (6 Chaban, 1301), concernant les attributions des Inspecteurs des substances médicinales et celles des instructions datées du 25 Juin, 1301 (24 Ramazan, 1302), relatives aux attributions de la Commission de l'Hygiène Publique qui ont pour but de déterminer les règles de l'inspection sanitaire dans l'intérieur de l'Empire sont maintenues. Toutes les autres dispositions du dit Règlement et des susdites instructions relatives aux formalités en douane ainsi que le Règlement en date du 14 Février, 1315 (26 Chewal, 1317), sur la visite sanitaire en douane sont abrogées par le présent Règlement.

Art. 27. L'Administration des contributions indirectes est chargée de l'exécution du présent Règlement.

(Translation.)

General Provisions.

ARTICLE 1. The following goods are subject to sanitary inspection at the customs:—

1. Chemical and pharmaceutical productions and specialities.
2. Butter, oil, and flour.
3. Coffee and tea.
4. The liquors mentioned in Article 23.

Art. 2. For these sanitary inspections a laboratory will be opened at the Administration Générale des Contributions Indirectes," at Constantinople, with a staff consisting of a head chemist, three chemists, and a bacteriologist. A branch laboratory will be opened at the Customs for foreign goods at Galata with a staff of three chemists. In addition to these officials, Customs chemists will be appointed to the ports of Smyrna, Salonica, Trebizond, Scutari in Albania, Beyrout, Alexandretta, Bussorah, and Tripoli in Africa.

These chemists will be salaried and will be entirely under the orders, at Constantinople, of the "Administration Générale des Contributions Indirectes," and, in

the vilayets, of the customs office. In places where no chemist is appointed the municipal doctor shall undertake the sanitary inspection. If the municipal doctor declares, in a report to the customs office, that he cannot authorize the entry of the goods without chemical analysis, a sample shall be sent to the nearest customs office with a chemist, to be analyzed.

Art. 3. The chemists must be Ottoman subjects and have a chemist's diploma. They are appointed by the "Administration Générale des Contributions Indirectes," after having shown their fitness for the post by passing an examination held in the presence of an official of the said Administration, and before a jury composed of the Customs chemist and of two professors of chemistry selected by the Imperial School of Medicine.

Art. 4. The inspection and, if necessary, the analysis of the articles thus inspected at the customs shall be carried out as quickly as possible by the Customs chemists. The first inspections and analyses will be free of cost.

Art. 5. The goods mentioned in Article 1, when landed at the customs, shall first of all be subject to the usual inspection by the Customs officials and entered in the registers supplied for the purpose. After this, specimens shall be selected, in the presence of the owner, and divided by him and the Customs officials into three lots and put, in the presence of the owner, into glass vases or bottles, the mouth of which shall be carefully closed with the stoppers belonging to them and sealed in the presence of the Customs officials and by the owners. One of these specimens shall be forwarded to the Technical Commission of the Customs, the second shall be retained at the customs office, and the third shall be handed back to the owner.

The chemists shall at once examine the samples in order of number and in conformity with the technical Regulations. If they have no objection to admitting the goods, they shall fulfil the necessary formalities for the purpose. If, on the other hand, after this initial examination, they have cause to suspect the purity of the goods, they shall, after informing the customs office, proceed to analyze the sample with all possible speed, and within three days' time at the outside. If, as a result of this investigation, they come to the conclusion that the goods may be admitted, they shall so certify at the bottom of the register, and shall return the sample sealed. The goods shall then be admitted for importation after payment of the customs duties.

Art. 6. Should the goods inspected be found mixed, deteriorated, or injurious to health, the chemists shall make a declaration to that effect below their signature in the register in respect to the goods entered. They shall then retain the samples, sealed and dated, for about thirty days. A copy of the minute of the analysis shall be given to the owner of the goods, who shall give a receipt.

Art. 7. If the parties concerned do not accept the findings of the analysis they can, by applying to the customs office, claim a fresh analysis within thirty days from the date of the copy of the minute of the analysis mentioned in Article 6. The request will not be admitted after the expiry of the thirty days.

Art. 8. Should a fresh analysis of these samples be claimed within the legal time, the parties concerned shall first pay, in advance, the costs. The second analysis of the samples shall be made with all possible speed and conjointly, at Constantinople, in the presence of a Delegate of the "Administration Générale des Contributions Indirectes," by the head chemist of the Customs, by the chemists who made the first analysis, and by another chemist appointed by the party concerned. In the vilayets, also in the presence of a delegate of the customs office, by the Customs chemists, by the chemists appointed by the party concerned, and by a third chemist from the customs office.

In this second analysis the opinion of two of the chemists shall be considered final.

If, in places where a third chemist cannot be found, the party concerned does not accept the findings of the analysis made at the customs, he is entitled to ask that the analysis shall be made at Constantinople.

Art. 9. The customs office shall not allow the import into the country of goods which, on examination, have been condemned. After informing the owner, they shall dispatch them, in accordance with the Regulations, to the place of export, or to any other foreign country which the owner may select. In this case the latter must send to the customs office the second bill of lading, showing that the goods have been sent off.

Art. 10. Should the second analysis be favourable to the owner, the costs of the analysis, collected in advance by the Customs officials, shall be returned to him. If, on the other hand, the analysis is not favourable, the owner shall not be entitled

to ask for the money back. The goods remaining at the customs depôt while the formalities in connection with the analysis are carried out do not pay "ardié" duty.

Art. 11. The costs of the second analysis amount to 100 piastres. The costs of the regulation analysis are only claimed on one of the samples of the same sort of goods belonging to the same merchant, even when the samples are given to several persons. The costs shall, on the other hand, be collected on each sample separately, should the samples be of different sorts of goods.

Art. 12. At the end of each month the head chemist shall draw up Tables showing (giving the quality and trade-mark of the goods) the industrial products which, as a result of the analyses made at Constantinople, may be imported without undergoing chemical analysis. These Tables shall, after inspection, be sent by the "Administration Générale des Contributions Indirectes" to the customs offices of the vilayets. The local customs shall allow the products indicated therein to be imported without analysis. In order to avoid a fresh sanitary inspection of goods which have already been inspected at the capital, and which are destined for the provinces, an announcement to the effect that these goods have already been inspected at Constantinople shall be made on the tezkéré, or customs certificate, delivered free of cost.

Art. 13. Legal proceedings shall be taken by the "Administration des Contributions Indirectes" against chemists convicted of not carrying out their duties properly or of obstructing commercial enterprise.

Chemical and Pharmaceutical Preparations and Specialities.

Art. 14. It is forbidden to import drugs of which the composition is not known or the purity of which is below the standard given in the Pharmaceutical Code adopted by the Imperial Government. Medical products of unknown composition can, however, be admitted if they have been accepted by an Academy, Administration, or technical body having an official character, on condition that the certificate relating to it, together with a specimen and a list showing, without specifying the quantity, the actual elements which compose it, be forwarded to the customs office, and if the chemists, after inspection, pronounce that the preparation is free from all prohibited matter. These certificates must, nevertheless, be legalized by the Ottoman Consulates.

Drugs and preparations unaccompanied by a certificate shall be treated in accordance with the results of the sanitary inspection, or, if necessary, with the chemical analysis, on condition that a specimen and a qualitative list of their constituent elements be first sent to the customs.

Art. 15. If the actual quality of the chemical and pharmaceutical preparations and of the specialities, the importation of which has been allowed in accordance with Article 14, is guaranteed by a well-known trade-mark, their import is facilitated and brought about without a fresh analysis taking place each time.

Art. 16. It is forbidden to import specialities prepared with the following drugs, the use of which has been acknowledged to be injurious: cocaine, sulphitic compositions, the anti-tuberculous serum of Koch, *coculus indicus*, picrotoxine, *canabis indica* (preparation with hashish). The above shall be sent back in accordance with Article 9.

Art. 17. It is forbidden to import chemical preparations used in the manufacture of explosives, such as chlorate of potash, chlorate of soda, nitrate of soda, nitrate of potash, picrates, nitro-glycerine, and guncotton. These preparations shall be confiscated on reaching the customs in accordance with the law and the regulation dealing with the preparation in question.

Art. 18. Among the prohibited preparations mentioned in the preceding Article, those which are indispensable in medicine, such as chlorate of potash, chlorate of soda, nitrate of soda, nitrate of potash, and picrates, are supplied, on a guarantee being given, at all chemists and druggists, through the Artillery Department of the War Office, at cost price and in quantities fixed by the Administration of the Imperial School of Medicine. The preparations used for industrial and agricultural purposes will be sold subject the same conditions and in quantities fixed by the Departments concerned.

It is permitted, however, to import drugs, such as pastils of chlorate of potash, &c., which, by being converted into specialities, have been rendered unsuitable for the manufacture of explosives.

Food-stuffs, Liquors, and Drinks subject to Sanitary Inspection.

Art. 19. Oil and butter recognized at the customs inspection as unfit for food, owing to their having been mixed with substances injurious to health, or rancid and deteriorated, shall not be allowed to enter the country. Cotton oil for industrial purposes is allowed to enter after colouring. Vegetable grease and oils, also for industrial purposes, will not be coloured, on condition, however, that they are not mixed and that they are imported under their real name.

All kinds of butter and oil which could not be allowed to enter the country in their actual state may, nevertheless, be admitted, if their owners desire, after having been coloured in accordance with the technical requirements.

Art. 20. Flour which, on inspection at the custom-house, is found to be adulterated with plaster, sulphate of baryta, chalk, talc, alum, and raw magnesia, and flour which does not contain at least 6 per cent. of gluten, shall not be allowed to enter the country.

Art. 21. Coffee tainted with mineral matter of a poisonous character, such as chrome green, &c., and artificial or adulterated tea, shall not be allowed to enter the country and shall be sent back.

Art. 22. In the case of sausages, black-puddings, hams, and other pork stuffs imported from a country suffering from epizooty, the sanitary inspection shall not be considered sufficient, but a certificate from the authorities at the place of origin stating that the food-stuffs are fit for consumption must be produced.

Art. 23. The import into Turkey is also forbidden of alcoholic liquors and drinks which have been mixed with salicylic acid, to preserve them, or which have been coloured or adulterated, to strengthen them, by the addition of materials sufficiently injurious to affect the health. The formalities in connection with alcoholic drinks, such as champagne, wines, cognac, expensive liqueurs, made by well-known firms, the quality of which is inscribed on the labels of the bottles, shall be carried out by the Customs overseers direct.

Art. 24. Among the goods subject to sanitary inspection, those whose colour seems to indicate the presence of compositions of lead, chrome, mercury, copper, antimony, and arsenic shall not be admitted into Turkey.

Art. 25. The system in force at the customs for the inspection and the necessary formalities in respect to goods and articles on arriving is maintained, the provisions of the present law exclusively affecting goods and articles allowing of or necessitating scientific inspection and chemical analysis.

Art. 26. The provisions of the "Règlement" of the 6th May, 1300 (Chaban 6, 1301), respecting the powers of the Inspectors of medicinal substances, and those of the instructions dated the 25th June, 1301 (Ramazan 24, 1302), relative to the powers of Commission of Public Hygiene, of which the object is to fix the regulations in to sanitary inspection in the interior of the Empire, are maintained. All the ovisions of the said "Règlement" and of the above-mentioned instructions the formalities at the customs as well as the "Règlement" dated the ry, 1315 (Chewal 26, 1317), respecting the sanitary inspection at the brogated by the present "Règlement."

L'Administration des Contributions Indirectes" is charged with the resent "Règlement."

Inclosure 2 in No. 102.

Petroleum Regulations.

pôts destinés à l'emmagasinage des matières inflammables, seront établis par les municipalités hors des villes et des

ux marchands et aux négociants de mettre dans leurs antité de ces articles dépassant leurs besoins.

t perçues par caisse de pétrole à mettre dans les dits inq paras pour chacun des mois suivants.

les dépôts particuliers établis par des commerçants pour l'emmagasinage de leur marchandise pourront à la condition de n'y mettre que leur propre

Aucune atteinte ne sera portée aux conditions de concession des dépôts établis en vertu d'autorisations spéciales.

Art. 4. Les commerçants pourront établir des dépôts particuliers pour l'emmagasinage exclusif de leur propre marchandise. Ils devront obtenir une autorisation en ce qui concerne leur emplacement et leur mode de construction. Ces dépôts seront soumis à la surveillance des autorités municipales.

Art. 5. Le paiement du prix du pétrole et d'autres articles qui se seraient répandus ou cassés, soit dans les dépôts, soit lors de leur transport par les employés de ces établissements, incombe aux Municipalités.

En cas d'incendie, les Municipalités devront également payer les caisses de pétrole et autres articles qui auraient brûlé. Elles feront assurer les dits articles emmagasinés. Toutefois, les propriétaires pourront, s'ils le veulent, faire assurer eux-mêmes leurs marchandises et déduire le montant de la prime du droit d'emmagasinage.

Art. 6. Le Ministère de l'Intérieur est chargé de l'exécution du présent Règlement.

(Translation.)

ARTICLE 1. Depôts for the storing of inflammable materials, such as petroleum and benzine, shall be established by the municipalities outside towns and villages.

Merchants and traders shall not be permitted to keep in their shops and stores a larger quantity of such articles than they actually require for use.

Art. 2. Two piastres shall be levied on each case of petroleum to be stored in the said depôts for the first month, and 5 paras for each following month.

Art. 3. The owners of private depôts established by merchants before the date of the present Regulation for the storing of their goods, may use them as in the past, on condition that they only store their own goods.

There shall be no interference with the terms of concessions for depôts established by virtue of special permission.

Art. 4. Merchants may establish private depôts for the exclusive storing of their own goods. They must obtain permission, as far as the site and manner of construction of the depôt are concerned. These depôts shall be subject to supervision on the part of the municipal authorities.

Art. 5. The municipalities must pay compensation for petroleum and other articles which are spilt or broken, either in the depôts, or while being removed by their employés at these establishments.

In the event of fire, the municipalities must also pay compensation for the cases of petroleum and other articles which are burned. They shall insure the said articles when stored. Nevertheless, the owners may, if they wish, themselves insure the goods and deduct the amount from the premium on the storing duty.

Art. 6. The Ministry of the Interior is charged with the execution of the Regulation.

Inclosure 3 in No. 102.

Memorandum by Mr. Lamb.

Mining Law.

WITH the exception of a few typographical or purely v
the text which we sent home in April.

Analysis Regulations.

This is substantially the translation of the "Levant
with certain corrections and emendations.

Article 14 (concerning patent medicines) and Ar
without altering the sense, so far as I can detect.

In Article 1 "produits chimiques" is a slight
rendering than "préparations chimiques" of the orig
curious oversight, was entirely omitted from the T
"Levant Herald." This change, however, would see

"préparations chimiques" is maintained as the translation of the same term in the heading above Article 14.

Article 20. Flour: "Alum" is omitted in both the "Levant Herald's" and in the Porte's translation, while in the latter the stipulation permitting re-exportation of adulterated flours is also omitted.

Article 21. Tea: The official translator has given satisfaction to His Britannic Majesty's Embassy in regard to the disputed expression "maghshoush," which is here translated as "falsifié" instead of "mélangé."

Article 24. Colouring Matters: Two omissions by the "Levant Herald's" translator are corrected by the insertion of the words "substances minérales toxiques" and "des composés de plomb," &c.

Petroleum Storage.

This question, which does not specially interest us, appears to have been dealt with in a fairly reasonable spirit. The only point to which exception can, perhaps, be taken is the initial charge of 2 piastres per case per month. Goods lying six months in a municipal store will pay a sum approximately equal to the 8 per cent. import duty.

No. 103.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 1.)

(Telegraphic.) *Constantinople, December* 1, 1906.

MR. WEAKLEY'S Report on the improvement of the Customs organization is not yet ready, but it is already quite clear that little improvement has been effected as regards facilities for examination (see Sir N. O'Conor's despatch of the 27th July, point 6 of inclosed Memorandum). I hope, when the Report is ready, to submit for the approval of His Majesty's Government a list of such reforms as would be feasible, and which I think would accelerate custom-house operations.

Meanwhile, the Minister of Customs has intimated to us that he would be glad to receive suggestions as to the best means of remedying the delay about which complaint is made. Therefore, as our investigations bring out the need for various reforms, I suggest them unofficially to the Ministers one by one, pending such formal demands as His Majesty's Government may decide to make later on. As far as this port is concerned, there are signs that his Excellency is doing his best.

No. 104.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 8.)

(Telegraphic.) *Constantinople, December* 7, 1906.

DEBT at private meeting yesterday decided to agree to guarantee £T. 250,000 a-year for Macedonia in case of deficit, reimbursing themselves, under instructions from Porte, out of tithes surplus, which will almost certainly suffice; if it does not, Porte and Debt will agree on source from which to meet deficiency. Our Delegate tried to secure the surplus of the ceded revenues as a second guarantee, but met with opposition of all his colleagues, and he will have to accept above arrangement when definite decision is taken on 10th instant.

The arrangement will provide the money required for Macedonia, but surplus of ceded revenues will be free in about two years, when temporary charges are extinguished.

No. 105.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 10.)

(Telegraphic.) *Constantinople, December* 10, 1906.

THE Debt at this afternoon's meeting decided by five to one to accept the proposal of the Porte to pay the £T. 250,000 as soon as the 3 per cent. increase begins, to be reimbursed from the surplus of tithes. The British Delegate refused consent

before obtaining the approval of his bondholders, urging that this decision, which will bind the Debt Council before the Powers for seven years, is one of the most important it has ever taken. Notwithstanding above, the Debt's decision is valid under the Decree of Muharrem.

No. 106.

Sir Edward Grey to Mr. G. Barclay.

(Telegraphic.) *Foreign Office, December* 13, 1906.

IN your telegram of the 7th instant you state that, in all probability, the surplus tithes revenue will suffice as guarantee for the annual payment of £ T. 250,000 to Macedonia. We gather, however, that the surplus from new revenues and tithes amounts to only £ T. 200,000, on which there is a fixed charge of £ T. 110,000 annually, thus leaving for guarantee of deficit £ T. 90,000. Can any information on this point be obtained?

Is it a fact that the surplus new revenues amount to 400,000*l.* or 450,000*l.*?

We have told the British Manager of the Ottoman Bank this in reply to his inquiry.

No. 107.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 14.)

(Extract.) *Constantinople, December 7*, 1906.

YESTERDAY afternoon an informal meeting of the Council of the Debt was held, at which all the Delegates, except Mr. Block, were in favour of consenting to a proposal of the Turkish Government to the effect that the Debt should give a guarantee of an annual payment of £ T. 250,000 for Macedonia in case of need. According to the arrangement proposed, the Debt is to reimburse itself from the surplus of the tithes revenue, and in case this does not suffice, the Porte and the Council of the Debt will come to an agreement as to the source of revenue from which the deficiency is to be made good. Mr. Block tells me that the tithes revenue is so good this year that it is probable that the whole of the provisional charges upon the surplus, *i.e.*, advances from the Ottoman Bank, will be paid off by September next, and that the estimate for next year's tithes surplus is £ T. 450,000, which, after deducting the permanent charges, would leave free some £ T. 330,000. This would be amply sufficient to secure the sum needed for Macedonia, but there is naturally some uncertainty about any estimate of the tithes surplus, depending as it does not only on the crops, but also on the amount required to make good the kilometric guarantees, an amount which, of course, varies inversely with the railway receipts. Mr. Block therefore endeavoured to persuade the Council to insist on the Porte's specifying the source from which a deficiency in this surplus would be met and to state that in case of need the surplus of the ceded revenues should be drawn upon up to £ T. 50,000. His colleagues, however, declined to follow him. A definite decision is to be taken at the weekly meeting of the Council on the 10th instant; meanwhile, the proposal of the Government is to be redrafted in consequence of Mr. Block's attitude, and it is possible that the source from which any deficiency in the surplus of the tithes is to be made good will be more precisely stated.

If the present arrangement goes through, £ T. 250,000 will be guaranteed for Macedonia, and the tithes revenue surplus will be pledged for seven years.

No. 108.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 14.)

(Telegraphic.) *Pera, December* 14, 1906.

I HAVE received your telegram of the 13th instant.

Surplus tithes and new revenues (known commonly as tithes revenues) for the year ending the 13th March proximo are estimated at £ T. 630,000 by President of Debt.

Such sum would be sufficient to pay off all provisional charges, with the exception

of £T. 50,000. President of the Debt estimates surplus for the year 1907–1908 at £T. 450,000, which would suffice to meet permanent charges of some £T. 120,000 to pay off the remaining £T. 50,000 from this year, and furnish an annuity for Macedonia of £T. 250,000.

Such estimate is, in Mr. Block's opinion, more than favourable. The harvest this year has been unusually good, and the tithes also are coming in exceptionally well, but he thinks that the sum of the guarantee for Macedonia could be met in normal years out of the tithes surplus.

Such revenue is, however, an uncertain one, and Mr. Block considered that he was justified, in view of the gravity of the engagement which the Council are about to undertake in demanding further security from the surplus of the ceded revenues, the latter not being so subject to fluctuation. The estimate made by Mr. Block last October respecting the payment of tithes has been in fact surpassed.

I hope to be able to send by to-morrow's mail the *procès-verbeaux* of the meetings held by the Council of the Debt.

No. 109.

Mr. G. Barclay to Sir Edward Grey.—(*Received December* 19.)

Sir, *Constantinople, December* 15, 1906.

WITH reference to my telegram of yesterday, I have the honour to transmit herewith copy of the draft *procès-verbal* of the meeting of the Debt Council held on the 10th instant, together with the letter from the Minister of Finance which was discussed at that meeting, requesting the Council to guarantee an annual sum of £T. 250,000 for Macedonia in case of a deficit in any one year.

The decision come to at the meeting on this question runs as follows:—

"Le Conseil de la Dette Publique Ottomane s'engage à couvrir annuellement le déficit éventuel du budget des trois vilayets de Roumélie jusqu'à concurrence de £T. 250,000, aussi longtemps que le produit des revenus divers actuellement affectés lui sera intégralement maintenu par le Gouvernement Impérial."

The reservation in this guarantee, which I learned for the first time to-day when I received the draft *procès-verbal* from Mr. Block, suggests the danger that the Turkish Government may in the future, as it has done on several occasions in the past, appropriate to its own use some part of the tithes and other revenues assigned to kilometric guarantees which should by rights be collected by the Debt. Although the Government has promised to desist from such abuses in future, the danger of their recurrence cannot be ignored, and constitutes a serious element of uncertainty as regards the probable amount of the tithes surplus. You will see from the letter of the Minister of Finance, which the President of the Debt states is to be annexed *in extenso* to the *procès-verbal*, that in the event of the surplus of the tithes revenue not sufficing to meet the guarantee for £T. 250,000, the Imperial Government undertakes to come to an arrangement with the Debt enabling it to recover the deficiency.

You will notice that the last part of the *procès-verbal* has reference to a request from the Minister of Finance for Macedonia during the annual financial year for an advance of £T. 250,000, which was to be dependent on certain concessions as regards prior charges by the Ottoman Bank. I understand that the bank has not yet made these concessions, and that it would prefer itself to make an advance to the Government of the £T. 250,000 needed.

I have, &c.
(Signed) G. BARCLAY.

P.S.—I also inclose a Table, showing the amount of the tithes surplus for the last seventeen years

G. B.

Inclosure 1 in No. 109.

Commissioner of Public Debt to President of Council of Administration.

Commissariat de la Dette Publique,
le 20 Novembre, 1322 (3 *Décembre,* 1906).

Honorable Présidence du Conseil d'Administration,

JE m'empresse de vous remettre ci-inclus, aux fins utiles, copie d'un "tezkéré" du 20 Novembre, 1322, par lequel le Trésor Impérial exprime le vœu que votre honorable Conseil veuille bien garantir le règlement du déficit annuel de £T. 250,000 environ accusé actuellement par le budget des trois vilayets de Roumélie, déficit qui, dans la suite, se réduira et probablement disparaîtra même en entier.

Veuillez, &c.
Le Commissaire de la Dette Publique,
(Signé) SAÏD.

(Translation.)

Commissariat of the Public Debt,
November 20, 1322 (*December* 3, 1906).

Honourable President of the Council of Administration,

I BEG to transmit herewith, for the necessary action, copy of a "tezkéré" (letter) of the 20th November, 1322, in which the Imperial Treasury expresses the hope that your honourable Council will be so good as to guarantee the settlement of the annual deficit of about £T. 250,000 now shown by the Budget of the three Roumelian provinces, a deficit which will be reduced in future and will probably disappear altogether.

I am, &c.
The Commissary of the Public Debt,
(Signed) SAÏD.

Inclosure 2 in No. 109.

"Teskéré" dated November 20, 1322 (*December* 3, 1906).

LE Gouvernement Impérial est d'avis que l'Administration de la Dette Publique pourra couvrir le déficit de £T. 250,000 environ, constaté aujourd'hui dans le budget des trois vilayets de Roumélie, déficit qui, à l'avenir, diminuera probablement et même disparaîtra complètement.

Étant donné le montant établi des excédents sur les "revenus divers"* afférents au précédent exercice, ainsi qu'à l'année en cours, tout compte fait il a été reconnu que les dits excédents pourront suffire également au paiement des £T. 250,000 en question, en dehors dès intérêts du compte courant de la Banque Ottomane ainsi que les allocations du dit établissement, sommes dont le paiement est en vertu d'une Convention, prévu sur les excédents susmentionnés.

Du reste, ces excédents peuvent aussi suffire à payer le montant annuel de £T. 10,000 assigné à la Dette Publique en représentation de la créance de la Compagnie des Chemins de Fer Orientaux du chef des transports militaires.

Il est aussi à remarquer que dans le cas où, contre tout espoir, on reconnaîtrait à l'avenir l'insuffisance des excédents des revenus divers, le Gouvernement Impérial s'engage à s'entendre avec la Dette Publique pour permettre à celle-ci de récupérer les avances dont le recouvrement ne sera pas possible à la fin de l'exercice.

Il est aujourd'hui probable qu'il y aura un déficit dans le budget des trois vilayets, même après l'affectation aux dépenses de ces derniers des 75 pour cent revenant au Gouvernement Impérial sur la surtaxe douanière de 3 pour cent.

Je vous prie donc de porter le fait à la connaissance du Conseil d'Administration, afin qu'il avise dès à présent au nécessaire pour assurer, en cas de besoin, pendant l'année 1323, ainsi que les années suivantes, le paiement des £T. 250,000 susmentionnées sur les excédents des revenus divers.

Pour copie conforme :
(Le Sceau du Commissariat.)

* The revenues collected by the Public Debt Administration other than those ceded to the bondholders by the Decree of Mouharrem, which are called the "ceded revenues."

(Translation.)

THE Imperial Government is of opinion that the Administration of the Public Debt is in a position to make good the deficit of about £ T. 250,000, actually shown by the Budget of the three Roumelian provinces, a deficit which, in future, will probably decrease and even completely disappear.

Given the ascertained amount of the surplus of the "revenus divers" of the past, as well as of the current financial year, after careful examination of the accounts it has been established that the above-mentioned surplus can suffice equally for the payment of the £ T. 250,000 in question, as well as the interest on the account current of the Ottoman Bank and the subsidies paid to the said establishment, sums of which, in virtue of an Agreement, the payment is provided for out of the above surplus.

Moreover, this surplus may also suffice to pay the annual amount of £ T. 10,000 assigned to the Public Debt to be placed to the credit of the Oriental Railway Company on account of military transport.

It should also be observed that if, contrary to all expectation, the surplus of the "revenus divers" were at some future time to prove insufficient, the Imperial Government undertakes to come to an arrangement with the Public Debt to enable the latter to recover the money advanced by it which it will be unable to recover at the close of the financial year.

It is at present probable that there will be a deficit in the Budget of the three provinces, even after payment of the 75 per cent. accruing to the Imperial Government on account of the 3 per cent. customs increase towards the expenses of these latter.

I beg you, therefore, to bring these facts to the notice of the Council of Administration, in order that it may at once take steps to assure, should the necessity arise, for the year 1323, and for the following years, the payment of the £ T. 250,000 above mentioned out of the surplus of the "revenus divers."

True copy:
(The Seal of the Commissariat.)

Inclosure 3 in No. 109.

Draft Procès-verbal of Meeting of Debt Council, held December 10, 1906.

AVANT d'aborder l'ordre du jour, M. le Président donne lecture au Conseil de deux dépêches de son Excellence le Commissaire Impérial—qu'il propose d'annexer *in extenso* au procès-verbal de la présente séance—relatives au déficit du Budget des trois vilayets de Roumélie.

Résumant ces dépêches qui ont des objets connexes et émettant l'avis d'en discuter la teneur successivement, M. le Président constate que la première, portant la date du 20 Novembre, 1322 (3 Décembre, 1906), a pour but de demander au Conseil de la Dette de combler, à partir de l'année 1907–1908 (1323) et durant les exercices suivants, jusqu'à concurrence de £ T. 250,000, au moyen des excédents des revenus divers dont la perception lui est confiée, le déficit éventuel qui se produirait dans le Budget des trois vilayets Rouméliotes, même après affectation aux frais de ces provinces des 75 pour cent revenant au Gouvernement Impérial sur la surtaxe douanière de 3 pour cent déjà décidée, et qui sera appliquée incessamment.

Le Gouvernement déclare que les calculs établissant les excédents des revenus divers afférents à l'année dernière ainsi qu'au présent exercice démontrent que ces excédents pourront suffire au règlement des dites £ T. 250,000 en sus des intérêts du comptecourant de la Banque Ottomane et de l'allocation des succursales, intérêts et allocations qui sont payables en vertu d'une Convention déjà existante sur ces mêmes excédents. Le Gouvernement ajoute que ces excédents peuvent également suffire au paiement annuel de £ T. 10,000 pour les transports militaires déjà ordonnancés à l'Administration de la Dette Publique Ottomane.

Le Gouvernement Impérial prie encore le Conseil de noter l'engagement qu'il prend, au cas improbable d'insuffisance éventuelle future des excédents des revenus divers, de se mettre d'accord avec le Conseil de la Dette Publique Ottomane, pour que ce dernier puisse se faire rembourser des avances qui n'auraient pu être réglées sur ces excédents en fin d'exercice.

En terminant, son Excellence Saïd Bey demande, au nom du Gouvernement Impérial, au Conseil de procéder dès à présent et en temps que de besoin au nécessaire.

M. le Président pense qu'il convient d'examiner avant tout si les excédents donnés en gage par la présente dépêche seront pour l'année 1323 et les suivantes libres de toute affectation, en dehors des affectations permanentes déjà notifiées au Conseil, c'est-à-dire de £T. 108,000 au maximum à remettre annuellement à la Banque Impériale Ottomane pour ces comptes spéciaux précités avec le Trésor Impérial et de £T. 10,000 actuellement affectées aux transports militaires de la Compagnie des Chemins de Fer Orientaux.

Il résulte de la situation présentée par le mouvement général des fonds que le montant des affectations non permanentes, c'est-à-dire remises pour des sommes déterminées à ne payer qu'une seule fois et portant sur l'exercice 1906–1907 (1322) et en cas de besoin sur les exercices suivants, s'élève à £T. 241,598, qui, ajoutées aux £T. 118,000 d'affectations permanentes sus-indiquées, constituent une charge maxima £T. 359,598.

Malgré la notable augmentation des excédents des revenus divers pour cette année sur les rendements des excédents des années précédentes, vu les sommes importantes déjà payées depuis le 1er (14) Mars dernier sur les excédents pour cette année, les calculs prévisionnels présentés avec la prudence voulue par la Comptabilité font apparaître entre les recettes et les paiements la possibilité d'un déficit, à reporter sur l'année prochaine, d'environ £T. 50,000.

Le Conseil doit par conséquent s'assurer que les excédents des revenus divers pour l'année 1907–1908 (1323) seront supérieurs à—

	£T.
1 D'affectations permanentes	118,000
2. Reliquat des affectations déterminées par cas à payer une fois pour combler le déficit de 1906–1907	50,000
3. Montant maximum de l'avance demandée par le Gouvernement Impérial pour les vilayets de Roumélie	250,000
Total	418,000

M. le Président a cru devoir aussi vérifier—l'époque de l'année ayant permis aux Compagnies de Chemin de Fer d'établir des prévisions assez approximatives et le service des emprunts étant invariables—si les revenus divers auront à supporter du chef des garanties kilométriques et du service des différents emprunts, une charge supérieure à celle supportée par le dernier exercice. Les renseignements fournis font ressortir que les revenus divers seront allégés cette année d'une cinquantaine de mille livres Turques qui viendront grossir d'autant les excédents de ces revenus.

Enfin, il est à la connaissance du Conseil que, par suite d'une augmentation de £T. 170,000 environ sur le montant des affermages de l'exercice en cours par rapport à l'exercice écoulé, les excédents des revenus divers se trouveront augmentés à peu près d'autant pour l'année 1907–1908 (1323), à condition, toutefois, que les autorités provinciales s'abstiennent de tout prélèvement illégal sur les sommes dont le Gouvernement a déjà disposé en vertu d'engagements contractuels.

Dans ces conditions, il semble à M. le Président que les excédents des revenus divers à la disposition du Gouvernement pour l'année 1907–1908 (1323) permettraient de faire face aux diverses exigences ci-dessus énoncées pour cet exercice, y compris les £T. 250,000 demandées par le Gouvernement pour combler le déficit des trois vilayets de Roumélie.

En supposant même que le rendement des revenus soit, pour les années qui suivront, sensiblement inférieur à celui constaté pour les deux derniers exercices, il paraît aussi de toute probabilité à M. le Commandant Berger qu'il ne sera plus inférieur à £T. 370,000, résultat constaté par la moyenne des cinq dernières années, à moins de circonstances exceptionnelles qui ne sauraient plus que probablement se répéter. Les effets de ces circonstances pourraient d'ailleurs être corrigés dès l'exercice suivant par le retour au chiffre moyen précité des excédents, même à défaut, qui est improbable, vu les comptes qui depuis l'unification existent entre le Gouvernement Impérial et la Dette, de sommes appartenant au Gouvernement et se trouvant entre les mains de la Dette, lesquelles sommes serviraient, en vertu des principes généraux du droit, à la compensation de la créance éventuelle de la Dette.

Quoiqu'il en soit, la moyenne de £T. 370,000 obtenue pour les cinq dernières années, si elle n'était prise comme minimum, serait un peu étroite pour assurer le paiement des £T. 118,000 de gages permanents, mais qui peuvent être réduits en fait, comme cela a été le cas pour l'année dernière, où ils n'ont pas dépassé £T. 110,000 et des £T. 250,000 en question. Mais si, avec son désir habituel d'apporter un concours efficace au Gouvernement Impérial et de lui témoigner son dévouement, le Conseil

considère que sans doute le rendement des dîmes croîtra avec l'amélioration économique du pays, qui aura aussi pour résultat de diminuer dans une certaine mesure les exigences des garanties kilométriques des chemins de fer, si enfin le Conseil apprécie que la somme de £T. 250,000 est prévue comme maximum par le Gouvernement pour parfaire un déficit qui diminuera probablement d'année en année en même temps que la surtaxe des droits de douane augmentera son rendement, alors il est peut-être possible à l'Administration de la Dette, conclut M. le Président, de répondre au Gouvernement Impérial d'une façon conforme à ses vœux.

M. le Délégué Anglo-Néerlandais prend à son tour la parole :

"Il me paraît," dit-il, "qu'avant de donner suite à la demande de la Porte, chaque membre du Conseil devra être convaincu que jamais le Conseil ne fera défaut à un engagement de sa part, qui sera enregistré et dont on prendra acte dans toutes les chancelleries politiques de l'Europe.

"Je partage l'opinion émise par notre Président que, selon toutes probabilités, les excédents des revenus divers pourront suffire au règlement desdites £T. 250,000 ; mais c'est pour éviter la possibilité de se trouver à un moment donné dépourvu des moyens d'exécuter un engagement officiel et solennel que j'aurais voulu que le Conseil précise exactement la source d'où l'on devra se rembourser des avances qui n'auraient pu être réglées sur les excédents en fin d'exercice.

"Je me trouve dans l'impossibilité de consentir à parfaire cette insuffisance en prélevant sur la réserve. Il n'est pas admissible que les porteurs soient appelés à avancer au Gouvernement Ottoman, pour les besoins administratifs, d'une ou plusieurs de ses provinces, pendant une série d'années, l'argent qui leur appartient et auquel ils auront recours en cas d'insuffisance dans le rendement des 'revenus concédés.'

"Malgré l'optimisme du Gouvernement Impérial, il est incontestable que le rendement des dîmes est aléatoire. Sans remonter plus loin qu'à 1900–1901, l'excédent n'était que de £T. 84,000. Avant cela il y avait deux années de suite où l'excédent n'était que de £T. 140,000 et £T. 130,000 respectivement. Si l'on défalque les encaissements sur arriérés des années antérieures, ces mêmes années ont donné un déficit de £T. 11,000, et un excédent de £T. 70,000 et £T. 54,000 respectivement. Il est à espérer que nous ne verrons plus d'années comme celles-là ; mais cela est toujours possible.

"En second lieu, il est opportun de prendre en considération une chose qui a échappé à l'attention du Gouvernement en faisant ses calculs. Le 22 Août (4 Septembre) de cette année, le Conseil a décidé (Procès-verbal No. 227, 'Dîmes,' § 9) de parfaire le montant nécessaire au service de l'Emprunt Bagdad par voie de prélèvement sur la masse globale constituée par les excédents des dîmes affectés à tous les chemins de fer. Cette décision, à laquelle je n'ai pas donné mon adhésion, aura pour effet de charger les excédents des dîmes d'une somme qui, était, en 1903–1904, de £T. 24,000, en 1904–1905 de £T. 32,000, et en 1905–1906 de £T. 38,000. Pour cette année, le chiffre est de £T. 58,000. Encouragé par cette décision, le Gouvernement peut se considérer comme justifiée de continuer à ne pas exécuter ses engagements contractuels sur une échelle encore plus grande. Comme, d'ailleurs, M. Nias l'avait très bien observé, cette décision donnera lieu à d'autres prélèvements sur les excédents en cas de besoin ; rien n'empêche que la Banque, en profitant du précédent ainsi créé, ne vienne demander la même facilité, lorsque, par suite des soustractions faites par les autorités locales, il y a insuffisance dans les sommes destinées à l'annuité de son emprunt. Ces insuffisances se sont produites assez souvent et avaient été comblées par des avances faites par la Banque. On ne peut donc pas ignorer cette décision, et en faisant la prévision des excédents, il faudra la prendre en considération.

"De même, pour les transports militaires £T. 10,000 n'est que le tiers de ce qui est ordinairement nécessaire, et le reste sera prélevé sur le rendement des dîmes sous forme de garanties kilométriques supplémentaires. Il faudra donc diminuer les excédents d'autant.

"En dernier lieu, il y a de nombreuses irrégularités commises dans le service des dîmes par les autorités provinciales. La somme soustraite pendant les trois dernières années s'élève à £T. 230,000 (voir Procès-verbal No. 211, § I ('Dîmes'), et *passim*). Le Gouvernement, il est vrai, promet d'y mettre un terme. La Porte est animée des meilleures intentions, mais le Conseil a une triste expérience de ces promesses, qui, malgré toute la bonne volonté du Ministre des Finances et de la Porte, reste presque toujours lettre morte. Pour ces raisons j'aurais préféré," poursuit M. le Délégué Anglo-Néerlandais, "que les excédents de tous les revenus pussent servir de garantie pour le remboursement des sommes que nous nous engageons à verser. Il paraît qu'il y a, de la part de quelques-uns de mes collègues, des objections dont j'avoue ne pouvoir pas me rendre

compte. Dans ce cas, pour maintenir notre unanimité, je n'insisterai pas sur une garantie supplémentaire pour la totalité des £ T. 250,000, pas même pour la moitié, ce qui aurait été raisonnable ; je me contenterai de proposer encore une fois que le Conseil précise la source d'où nous devrons nous rembourser des avances non réglées sur l'excédent des dîmes jusqu'à concurrence de £ T. 50,000. Je considère que le meilleur gage, le gage naturel, c'est l'excédent des anciens revenus. Le fait que £ T. 50,000 en seraient réservées, en cas de besoin, ne pourra pas sérieusement, comme il a été dit, entraver des opérations financières que le Gouvernement Ottoman voudrait faire ultérieurement avec ces excédents, sur lesquels, d'après toutes les prévisions, la part du Gouvernement atteindra bientôt la somme de £ T. 450,000 à £ T. 500,000 par an.

"Si les Gouvernements ont demandé que le Conseil de la Dette s'engage à payer annuellement une somme de £ T. 250,000, c'est parce qu'ils savaient que le Conseil ne donnerait jamais un engagement que, peut-être, il ne serait pas à même d'exécuter. Que ferons-nous si les excédents des 'revenus divers' nous font défaut ? Voilà pourquoi nous aurions dû pouvoir avoir recours aux excédents des revenus concédés que le Gouvernement ne voudra jamais nous enlever, pour des raisons que je n'ai pas besoin d'expliquer ici.

"D'ailleurs, le Gouvernement Ottoman lui-même avait offert cette même garantie il y a huit jours, et le Conseil avait alors accepté la proposition du Gouvernement à l'unanimité. Il est bien regrettable que le Gouvernement soit revenu sur sa décision primitive. Lorsqu'il s'agit de s'engager à avancer £ T. 250,000 pour une série d'années indéterminées, nous sommes, à mon avis, justifiés à insister sur les garanties les plus fortes et les plus sûres que le Gouvernement serait à même de nous fournir.

"Tout en maintenant donc la phrase 'que le Gouvernement s'engage à se mettre d'accord avec le Conseil de la Dette Publique Ottomane pour les moyens à prendre à temps pour que ce dernier puisse se faire rembourser des avances qui seraient réglées en fin d'exercice,' je propose d'ajouter les mots : 'il est entendu que jusqu'à concurrence de £ T. 50,000, la Dette Publique pourra se rembourser sur les excédents des anciens revenus.'

"Le jour où l'excédent des dîmes ne suffira pas pour rembourser les £ T. 250,000 ne sera pas précisément le moment où le Gouvernement pourra 'trouver les moyens de combler l'insuffisance.'

"Il me paraît donc nécessaire de demander cette garantie supplémentaire, et, dans le cas où le Conseil ne partagerait pas mon opinion, il ne me resterait qu'à prendre l'avis de mes mandats."

Son Excellence Hamdy Bey, Délégué des porteurs Ottomans, demande un éclaircissement à M. le Président. Il lui avait semblé résulter d'une conversation à laquelle il a assisté entre M. le Président et M. le Délégué des porteurs Anglo-Néerlandais que la lettre du Gouvernement qui fait l'objet de la présente discussion n'avait été écrite qu'après un accord sur tous ses termes entre son Excellence le Ministre des Finances, M. le Président, et Mr. Block.

M. le Délégué Anglo-Néerlandais prend la parole pour déclarer qu'il avait, il est vrai, dans une conversation avec M. le Président, proposé une rédaction faite, d'ailleurs, en collaboration avec M. le Commandant Berger, et plus à même de satisfaire aux exigences du Conseil dans le sens que M. de Yanko avait suggéré en séance, à l'effet de faire préciser la nécessité de l'accord avec le Conseil de la part du Gouvernement, ce qui n'était pas fait dans la rédaction antérieure. Il était d'accord avec M. le Président sur la nécessité d'obtenir du Ministère des Finances son assentiment à une rédaction pareille, mais jamais il n'y a eu engagement de sa part d'accepter la proposition du Gouvernement, et jamais il n'a cru pouvoir se contenter de ce changement dans la rédaction pour donner son consentement à la proposition en général.

Son Excellence le Commissaire Impérial explique au Conseil que la lettre que M. le Délégué Anglo-Néerlandais reproche au Gouvernement d'avoir retirée n'était nullement destinée au Conseil, qui n'avait pas à en faire état. C'est par erreur que des instructions qui lui étaient personnelles par certains cas déterminés dont il devait demeurer seul juge, ont été mises sous les yeux du Conseil ; dans un moment de presse ces instructions sont arrivées, comme MM. les Délégués peuvent s'en souvenir, alors que leur délibération avait déjà commencé.

"Quant à la lettre à laquelle son Excellence Hamdy Bey fait allusion, et qui fait l'objet de la présente délibération," ajoute son Excellence Saïd Bey, "il est bien exact que M. le Président, qui en a eu connaissance préalablement, avait déclaré être d'accord avec Mr. Block pour accepter cette rédaction, qui ne lui paraissait pas non plus devoir être repoussée par les autres membres du Conseil. C'est ce qui m'a entraîné," conclut

son Excellence Saïd Bey, " à déclarer à son Excellence le Ministre des Finances que l'envoi d'une pareille lettre amènerait une solution favorable de la question, et si tel n'est pas le cas, ma responsabilité sera gravement engagée."

M. le Président répond à M. le Délégué Anglo-Néerlandais en lui demandant la permission d'examiner point par point chacun des motifs qu'il vient d'alléguer pour justifier son hésitation. Il espère que ses explications modifieront peut-être les conclusions de son collègue, car il attache le plus grand prix à éviter toute divergence dans les votes de MM. les Délégués, et à ne pas voir strictement appliquer par le Conseil le paragraphe de l'Article 15 du Décret de Mouharrem, ainsi conçu : " Les membres du Conseil auront chacun une voix. Les décisions seront prises à la majorité des voix. En cas de partage, le Président aura la voix prépondérante."

Mr. Block, pour faire ressortir l'optimisme du Gouvernement Impérial, dans son calcul des excédents des dîmes, remonte aux années 1898–1899, 1899–1900, 1900–1901, cette dernière n'ayant donné qu'un excédent de £T. 84,000, y compris des arriérés s'élevant à £T. 95,000, ce qui constituait pour l'année dernière elle-même un déficit de £T. 11,000. Il y a lieu de faire observer en réponse que les dîmes confiées à la gestion du Conseil ont été augmentées depuis cette époque, que toujours les excédents afférents aux arriérés ont été incorporés dans le rendement de l'année dîmière en cours, et qu'enfin, dès l'année suivante, les excédents des dîmes sont remontés à £ T. 219,000 pour arriver pour les cinq dernières années à la moyenne de £ T. 370,000 indiquée. Il y a, donc, là des éléments de conviction nécessaires pour chaque membre du Conseil qu'il n'a pas à craindre d'être amené à faire défaut à l'engagement qu'il est invité à prendre aujourd'hui, opinion que Mr. Block lui-même est bien près de partager, puisqu'il déclare que, selon toutes probabilités, les excédents des revenus divers pourront suffire aux règlements en question dans l'avenir.

En second lieu, M. le Délégué Anglo-Néerlandais s'inquiète de la décision prise par le Conseil sur la demande du Conseil d'Administration de Bagdad de parfaire, en cas d'insuffisance, le montant nécessaire au service de son coupon par voie de prélèvements sur la masse globale constituée par les excédents des dîmes affectées à tous les chemins de fer, il pense, après avoir cité des chiffres parfaitement exacts, que cette décision est de nature à encourager le Ministère des Finances dans la non-exécution de ses engagements contractuels.

Il estime également que les établissements financiers qui ont émis les emprunts et dont les services ne seraient pas assurés en fin d'année, pourraient à leur tour prétendre à des prélèvements sur les excédents des dîmes qui viendraient diminuer d'autant les disponibilités pour les trois vilayets de Roumélie.

Enfin, un peu plus loin, Mr. Block s'élève, avec beaucoup de raison, contre les nombreuses irrégularités commises dans le service des dîmes par les autorités provinciales.

Sans vouloir entrer dans une discussion approfondie de la question relative au Chemin de Fer de Bagdad et des Emprunts, il paraît suffisant au Président de faire observer à son collègue qu'il dépend de la décision que le Conseil va prendre dans cette séance de remédier d'une façon absolue aux inconvénients qu'il signale très justement et découlant de certaines violations par des autorités provinciales des engagements contractuels du Gouvernement.

Quant aux transports militaires, la diminution appliquée par Mr. Block sur les excédents des revenus divers au delà de £ T. 10,000 peut être contestée par le Gouvernement, qui rappellera au Conseil que sa délégation n'excède pas £ T. 10,000. Quant au prélèvement de ces transports au moment du règlement des garanties kilométriques, les chemins de fer ne l'acceptent pas sous cette forme et ont déclaré préférer revenir à l'usage des paiements effectués au moment du transport comme antérieurement; il n'y a donc pas lieu non plus de les défalquer des excédents en cause.

Mr. Block préférerait que les excédents de tous les revenus puissent servir de garanties pour le remboursement éventuel de ce qui pourrait venir à manquer sur les £ T. 250,000 au maximum que le Gouvernement demande au Conseil de s'engager à verser annuellement pour combler le déficit des trois vilayets de Roumélie. En principe tous les membres du Conseil seraient heureux de cette solution et l'avaient accueillie avec empressement quand, par suite d'un malentendu, ils auraient cru qu'elle leur était offerte. Mis à la réflexion, aucun d'eux n'a hésité à la trouver excessive, et M. le Délégué Anglo-Néerlandais lui-même entre dans cet ordre d'idées, puisqu'il n'exigerait plus qu'un prélèvement de £ T. 50,000 sur les excédents des anciens revenus comme surgarantie des revenus divers offerte par le Gouvernement.

M. le Commandant Berger fait appel à l'esprit de conciliation de son honorable

collègue, Mr. Block, pour qu'il ne se montre pas irréductible sur ce point que son bon jugement a déjà ramené à un chiffre de peu d'importance, qui paraît maintenant être la seule cause de divergence entre lui et ses autres collègues.

Mr. Block se demande ce que fera le Conseil si les excédents des revenus divers lui font défaut dans ce cas improbable, étant donné que la somme à parfaire ne saurait raisonnablement être évalué à plus de la moitié ou du quart de l'engagement pris pour £ T. 250,000, et si les mesures indiquées dans la lettre du Gouvernement n'avaient pas un effet immédiatement pratique, le Conseil trouverait certainement une solution convenable. Il a maintes fois consenti des avances au Gouvernement dans l'unique but de déférer à ses désirs pour des sommes plus importantes que celles qui viennent d'être indiquées. Il n'a pas eu à s'en repentir, puisqu'il a toujours été régulièrement remboursé. S'il y avait lieu de prévoir dès maintenant qu'il soit possible que la voie dans laquelle il s'engage amène le Conseil à devoir un jour faire une avance au Gouvernement—cas presque impossible, n'hésite pas à déclarer M. le Président, si les irrégularités des autorités provinciales cessent—le Conseil se trouverait, néanmoins, amplement justifié aux yeux des porteurs de leur avoir par ce moyen assuré les avantages considérables qui découlèrent matériellement et moralement pour eux de l'application de la surtaxe douanière de 3 pour cent.

M. le Délégué des porteurs Austro-Hongrois déclare à son tour qu'il serait opportun, pour prévenir toute possibilité de malentendu, de noter, d'une manière expresse, que la portée légale de l'engagement que l'on demande au Conseil d'assumer, trouvera toujours et nécessairement sa limite dans les clauses du Décret-Annexe du 14 Septembre, 1903, concernant l'emploi des sommes nécessaires au service des titres de l'Unifiée et à l'alimentation du fonds de réserve et que, par conséquent, cet engagement ne pourra, dans aucun cas, avoir des effets contraires aux intérêts des porteurs. D'ailleurs, si un avance était un jour nécessaire de la façon indiquée par M. le Président, ce ne serait pas de la réserve qu'elle devrait être tirée, mais du compte courant, comme par le passé.

M. le Délégué Italien, faisant allusion aux dernières paroles de Mr. Block de devoir prendre l'avis de ses mandants pour le cas où le Conseil ne partagerait pas son opinion, déclare qu'il n'a pas jugé nécessaire, en l'occurrence, de saisir son Syndicat de la question, étant donné qu'il ne s'agit pas de revenus concédés aux porteurs, mais des dîmes, qui ne les intéressent pas directement. Si, un jour, une avance était la conséquence de l'engagement pris aujourd'hui, rien ne s'opposerait à ce qu'elle soit faite comme dans de nombreux cas antérieurs, où le Conseil n'a pas cru avoir à prendre l'avis préalable des Syndicats.

Mr. Block regrette de constater qui ni M. le Président ni MM. les Délégués ne partagent son opinion sur la nécessité de se faire donner la garantie supplémentaire qu'il demande, dans l'intérêt des porteurs qu'il représente. Les observations du Président ont pour lui, comme toujours, une très grande valeur ; mais il croit devoir maintenir son opinion que l'on devra tâcher d'obtenir du Gouvernement les meilleurs gages possibles. Mr. Block ne veut pas cependant prolonger la discussion en répondant une à une aux considérations développées par M. le Commandant Berger.

Il se borne à déclarer qu'il est tout aussi désireux de faciliter la tâche du Gouvernement que les autres membres du Conseil. Il ne peut pas admettre que son hésitation à se rendre à l'avis du Président puisse entraver la solution de la question du 3 pour cent, qui, étant de la plus haute importance pour les porteurs, a toujours fait l'objet de ses plus sérieuses préoccupations.

Vu, cependant, la gravité de la décision que le Conseil est appelé à prendre, décision qui l'engagera pour une longue période dans une opération qui ne ressemble pas aux opérations entreprises jusqu'ici par le Conseil, Mr. Block se réserve de consulter son Syndicat, et il subordonnera la décision qu'il aura à prendre aux instructions qu'il recevra de ce dernier à cet égard.

Le Conseil, après un échange de vues dans lequel la question est mûrement examinée, décide de demander tout d'abord au Gouvernement Impérial, par l'organe de son Excellence le Commissaire Impérial, que les nombreuses irrégularités commises dans le service des dîmes par les autorités provinciales au cours de ces dernières années aient désormais un terme. Il lui paraît indispensable que le Gouvernement s'engage à faire donner immédiatement des ordres précis aux agents du Ministère des Finances en province, pour que ces agents n'apportent plus aucune entrave à l'exercice du droit d'intervention et de coopération effective reconnu aux représentants de la Dette par les contrats en vigueur.

Après avoir reçu de son Excellence le Commissaire Impérial l'assurance formelle que le Ministère des Finances donnera à ses agents en province les ordres les plus catégoriques

pour éviter toute nouvelle infraction aux contrats existants et faciliter la tâche des représentants de la Dette Publique, MM. les Délégués, à la majorité de 5 voix sur 6—Mr. Block subordonnant son vote à la réponse qu'il attend de son Syndicat—M. Nias, Délégué de la Banque Ottomane, étant absent par congé—s'arrêtent à la décision suivante :—

"Le Conseil de la Dette Publique Ottomane s'engage à verser annuellement au crédit du Budget des trois vilayets de Roumélie la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière récemment décrétée, tant que cette surtaxe sera appliquée.

"Le dit Conseil s'engage également à couvrir annuellement le déficit éventuel du Budget précité jusqu'à concurrence de £ T. 250,000 aussi longtemps que le produit des revenus divers actuellement affectés lui sera intégralement maintenu par le Gouvernement Impérial."

Son Excellence le Commissaire Impérial est autorisé à communiquer cette décision au Gouvernement Impérial.

Revenant à la seconde dépêche de son Excellence le Commissaire Impérial en date du 20 Novembre, 1322 (3 Décembre, 1906), M. le Président expose que le Gouvernement Impérial demande au Conseil par cette dépêche de tenir, jusqu'à la fin de l'année en cours, à la disposition du Trésor Impérial, £ T. 250,000, destinées aux dépenses des trois vilayets de Roumélie. Cette avance serait gagée par les excédents afférents au présent exercice des anciens revenus et des revenus divers déjà affectés à la Banque Impériale Ottomane pour ses avances, mais sur lesquels excédents celle-ci fera connaître à la Dette Publique Ottomane qu'elle lui cède son droit de priorité à la condition de prélever la même somme de £ T. 250,000, augmentée des intérêts sur les trois quarts des excédents des anciens revenus concédés revenant au Gouvernement pour l'année prochaine, et, en cas d'insuffisance, sur les mêmes excédents de l'année suivante.

Le Conseil, après délibération, prend la décision suivante à l'unanimité :—

"L'Administration de la Dette Publique Ottomane consent au Trésor Impérial une avance de £ T. 250,000, payable successivement par versements fractionnels au Budget des trois vilayets de Roumélie, suivant les instructions du Malié, jusqu'à la fin de l'exercice en cours. Cette adhésion demeure toutefois subordonnée à l'abandon que la Banque Impériale Ottomane notifiera à la Dette Publique Ottomane de son droit de priorité sur les excédents des anciens revenus et des revenus divers jusqu'à concurrence des dites £ T. 250,000.

"Le remboursement de cette avance s'opérera avant celui de toute autre créance, sauf les services déjà prénotés à la Dette Publique pour ce compte."

(Translation.)

BEFORE taking the agenda, the President read out to the Council two despatches from his Excellency the Imperial Commissary—which he proposes to annex *in extenso* to the *procès-verbal* of the present meeting—relative to the deficit in the Budget of the three Roumelian provinces.

The President explained that in the first of these despatches, dated the 20th November, 1322 (3rd December, 1906), which dealt with the same question, and which he proposed later to consider *seriatim*, the Council of the Debt was asked to make good, from the commencement of the year 1907–1908 (1323) and for following years, out of the surplus of the "revenus divers," the collection of which is intrusted to it, any deficit which might occur in the Budget of the three Roumelian provinces up to the amount of £ T. 250,000, should the 75 per cent. accruing to the Imperial Government out of the 3 per cent. customs surtax already agreed upon, and shortly to be levied, prove insufficient to cover the expenses of the three provinces in question.

The Government stated that from the figures of the surplus of the "revenus divers" of the past years, as well as of the current year, it was clear that the surplus of these revenues would provide for the said £ T. 250,000 in addition to the interest on the current account of the Ottoman Bank and to the subsidy for its branch establishments, which by virtue of an already existing arrangement were to be paid out of the same surplus. The Government added that the surplus might also suffice for the annual payment of the £ T. 10,000 for military transport which the Administration of the Ottoman Public Debt had already been instructed to make.

The Imperial Government further begged the Council to take note of its under-

taking, in the unlikely event of the surplus of the "revenus divers" not being found sufficient in the future, to come to an agreement with the Council of the Ottoman Public Debt in order that the latter might be enabled to recover any advance left unpaid at the end of the financial year.

In conclusion, his Excellency Saïd Bey requested the Council, in the name of the Imperial Government, to take the necessary measures, without delay, to meet the wishes of the Government.

The President was of opinion that it was desirable first of all to make sure that the surplus pledged in the despatch in question would be available for the year 1323 and following years, after the payment of the permanent assignments previously notified to the Council, that is to say, a maximum sum of £ T. 108,000 to be remitted annually to the Imperial Ottoman Bank for the above-mentioned special accounts with the Imperial Treasury, and the sum of £ T. 10,000 actually assigned to the Oriental Railway Company for transport of troops.

From the statement furnished by the Accounting Department of the Debt Administration it would appear that the extraordinary assignments on the surplus of the "revenus divers," *i.e.*, the payment of specific sums to be paid once only in the financial year 1906–1907 (1322), or, in case of need, from the surplus of these revenues of the following years, amounted to £ T. 241,598, which, added to the above-mentioned £ T. 118,000 permanent assignments, constituted a maximum charge of £ T. 359,598.

Notwithstanding the remarkable increase in the surplus of the "revenus divers" for this year over that of previous years, the estimate presented by the Accounting Department of the Administration, which had been made with great prudence, revealed the possibility after payment of all assignments of a debit balance of about £ T. 50,000, owing to the heavy payments made since the 1st (14th) March, 1906, out of the surplus of the current year. This debit balance would have to be carried forward to next year.

The Council would therefore have to be assured that the surplus of the "revenus divers" for the year 1907–1908 would exceed—

	£ T.
1. Permanent assignments	118,000
2. Balance of extraordinary assignments carried forward from the year 1906–1907..	50,000
3. Maximum amount of the advance needed by the Imperial Ottoman Government for the Roumelian provinces	250,000
Total	418,000

The President had also thought it desirable to ascertain—the year being sufficiently advanced to enable the Railway Companies to draw up a more or less accurate estimate, and the service of the loans being invariable—whether the "revenus divers" would be able to bear, on account of the kilometric guarantees and the service of these loans, a charge exceeding that imposed in the last financial year. The information he had obtained showed that this year the "revenus divers" would be relieved of a sum of about £ T. 50,000, which would increase the surplus of these revenues by the same amount.

Lastly, the Council was aware that, as a result of an increase of about £ T. 170,000 in the price of the tithes for the present financial year, as compared with that of last year, the surplus of the "revenus divers" for the year 1907–1908 (1323) would be increased by about the same amount, provided that the provincial authorities abstained from the illegal retention of these revenues, which by virtue of formal engagements were assigned for kilometric guarantees and the service of various loans.

In these circumstances it appeared to the President that the surplus of the "revenus divers" at the disposal of the Government for the year 1907–1908 (1323) would cover the various requirements above mentioned for that year, including the £ T. 250,000 needed by the Government to make good the deficit of the three Roumelian provinces.

Even supposing that the surplus of the "revenus divers" in ensuing years was much smaller than that of the last two years, Commandant Berger was still of opinion that it could not be less than £ T. 370,000, the average yielded by the last five years, unless exceptional circumstances, unlikely to recur for a succession of years, were to arise, and even if such circumstances did arise, the consequences could be rectified in the ensuing year by a return to the aforesaid average of the surplus. Even if the surplus was again below the average, and the payments made by the Administration could not be recovered out of the surplus—an improbable eventuality—the Administration of the Debt, since the Decree of Unification, was at the end of the year in possession of funds arising from the surplus belonging to the Government of the

"ceded revenues," which funds, in accordance with general legal practice, could serve to meet any eventual claim of the Administration.

However that might be, the average of £T. 370,000 of the last five years, unless taken as a minimum, would scarcely be sufficient to assure the payment of the sum of £T. 118,000 permanently assigned (but which in practice could be reduced, as was the case last year, when it did not exceed £T. 110,000) and of the £T. 250,000 in question. But if the Council, desirous, as always, of assisting the Imperial Government and of showing its good-will, considered that the tithes returns would undoubtedly increase with the economic improvement of the country, an improvement which would besides to some extent lessen the requirements of the kilometric guarantees of the railways, and finally, if the Council took into consideration that the sum of £T. 250,000 was the maximum amount which the Government considered would be needed to make good a deficit which would probably diminish from year to year in proportion as the returns from the customs surtax increased, it would then perhaps be possible for the Debt Administration, concluded the President, to meet the wishes of the Imperial Government.

The Anglo-Netherland Delegate replied as follows:—

"It appears to me," he said, "that before complying with the request of the Porte each member of the Council should be convinced that the Council will never be obliged to go back upon an engagement made by it, which will be communicated to the Governments of Europe, and of which they will take act.

"I am in agreement with the President that in all probability the surplus of the 'revenus divers' will perhaps suffice to provide the said £T. 250,000; but it is in order to avoid all possibility of being deprived of the means to carry out this official and solemn undertaking that I should have preferred that the Council should specify exactly the source from which we shall be able to recover the money advanced still left unpaid out of the surplus of the 'revenus divers' at the end of each successive year.

"I could never consent to provide for this insufficiency by drawing on the reserve fund. It is inadmissible that the bondholders should be called upon to advance to the Ottoman Government for the administrative requirements of one or more provinces, for a series of years, the money belonging to them in the reserve fund, to which they must have recourse should the yield of the 'ceded revenues' prove insufficient.

"In spite of the optimism of the Imperial Government, it is incontestable that the tithes are an aleatory revenue. Only to go back to 1900–1901, the surplus was only £T. 84,000. Before that there were two successive years when the surplus was only £T. 140,000 and £T. 84,000 respectively. If arrears from former years, but encashed in those years, are deducted, the three years I have mentioned showed a deficit of £T. 11,000 in one year and a surplus of only £T. 70,000 and £T. 54,000 respectively in the two others. I sincerely trust that we shall not again experience years so bad as these, but there is always the possibility.

"Secondly, it would be wise to take into consideration a fact which, in making their estimate, the Government has overlooked. On the 22nd August (4th September) of this year, the Council decided (*Procès-verbal* No. 227, Tithes, § 9) to make up the amount needed for the service of the Bagdad Loan from the surplus of the tithes assigned to the railways. This decision, to which I did not give my assent, will have the result of charging the surplus of the tithes with a sum which amounted in 1903–1904 to £T. 24,000, in 1904–1905 to £T. 32,000, and in 1905–1906 to £T. 38,000. For this year the figure is £T. 58,000. Encouraged by this precedent, the Government may consider themselves justified in continuing to neglect their engagements on an even larger scale. As M. Nias has appositely remarked, this decision may lead to further demands upon the surplus in case of need; there is nothing to prevent the bank profiting by the precedent thus created from coming forward to ask for similar facilities when, owing to the retention by the provincial authorities of funds destined for the service of a loan of the bank, there is a shortage in the amount required for the service of that loan. These shortages have occurred fairly frequently, and have in the past been covered by advances made by the bank. This decision, therefore, should not be lost sight of; it must be taken into consideration in any estimate of the amount of the surplus of the 'revenus divers.'

"Again, the £T. 10,000 voted for military transport is only a third of what is usually required, and the balance will be made up out of the surplus of the 'revenus divers' in the shape of supplementary kilometric guarantees. The surplus is therefore liable again to reduction on this ground.

"Lastly, numerous irregularities are committed by the provincial authorities with

regard to the tithes collected by us. The sums retained during the last three years amount to £ T. 230,000 (see *Procès-verbal* No. 211, § 1, Tithes, and *passim*). It is true that the Government promise to put an end to this state of things. The Porte is animated by the best intentions, but the Council has had a sad experience of such promises, which, in spite of the good-will of the Minister of Finance and of the Porte, remain nearly always a dead letter. For these reasons I should have preferred," continued the Anglo-Netherland Delegate, "that the surplus of the 'ceded revenues' should have been given as a guarantee for the reimbursement of the sums which we undertake to advance. It would appear that some of my colleagues entertain objections to this proposal. I must confess I am unable to understand these objections. Under the circumstances, however, in order to maintain unanimity, I shall not insist on an additional guarantee for the whole of the £ T. 250,000, nor even for half of this sum, which would have been reasonable; I shall content myself with once more proposing that the Council should specify the source from which we should recover money advanced and not repaid from the surplus of the 'revenus divers' to the amount of £ T. 50,000 only. I am of opinion that the best pledge, the natural pledge, is the surplus of the 'ceded revenues.' The fact of £ T. 50,000 being set aside in case of need could not seriously, as has been alleged, obstruct the financial operations for which the Ottoman Government might desire eventually to employ this surplus, of which, according to all estimates, the portion accruing to the Government will soon reach the sum of from £ T. 450,000 to £ T. 500,000 a-year.

"If the Governments of Europe have requested that the Council of the Debt should undertake to pay annually a sum of £ T. 250,000, it is because they knew that the Council would never give an undertaking which perhaps it would not have the power to carry out. What shall we do if the surplus of the 'revenus divers' fails us? It is for this reason that we ought to be able to draw upon the surplus of the 'ceded revenues,' of which the Government would never wish to deprive us, for reasons which I need not explain here.

"The Ottoman Government had themselves offered this very guarantee a week ago, and the Council had then unanimously accepted the proposal of the Government. It is most regrettable that the Government should have gone back on their original decision. When it is a question of undertaking to advance £ T. 250,000 for an indefinite number of years, we are, in my opinion, justified in insisting on the best and safest guarantees which the Government can give us.

"While, therefore, maintaining the words 'that the Government undertake to come to an arrangement with the Council of the Ottoman Public Debt as to the measures to be taken in time, so that the latter may recover the sums advanced by it outstanding at the end of the year,' I propose to add the words: 'it is understood that, to the amount of £ T. 50,000, the Public Debt shall repay itself from the surplus of the "ceded revenues."'

"When we ascertain the surplus of the tithes is insufficient to repay the £ T. 250,000, it will not be precisely at that moment that the Government will be able to 'find means to make good the deficit.'

"It appears to me therefore necessary to ask for this additional guarantee, and, in the event of the Council not agreeing with me, my only course would be to consult my Syndicates."

His Excellency Hamdy Bey, Delegate of the Ottoman bondholders, asked the President for an explanation. He thought he had been given to understand that, as a result of a conversation at which he had been present between the President and the Delegate of the Anglo-Netherland bondholders, the letter from the Government, which formed the subject of the present discussion, had only been written after an understanding had been arrived at as to all its terms between his Excellency the Minister of Finance, the President, and Mr. Block.

The Anglo-Netherland Delegate replied that he had, it was true, in a conversation with the President, assisted in the drafting of a phrase which Commandant Berger had accepted in order to meet the requirements of the Council in the sense proposed by M. de Yanko at the meeting, with the object of giving greater precision to the necessity of the agreement between the Council and the Government, which was too vague in the previous draft. He was in agreement with the President as to the necessity of obtaining the assent of the Minister of Finance to the proposed reading, but there was no undertaking on his part to accept the proposal of the Government, and he never considered that the proposed modification was sufficient to enable him to give his consent to the proposal in general.

His Excellency the Imperial Commissary explained to the Council that the

letter which the Anglo-Dutch Delegate reproached the Government for having withdrawn was in no way intended to be seen by the Council, which was not concerned with it. It was by mistake that instructions which were personal to himself, to be used in certain eventualities at his discretion, had been shown to the Council in the hurry of the moment. These instructions reached him, as the Delegates might remember, when their discussion had already commenced.

"As regards the letter to which his Excellency Hamdy Bey alludes, and which is to-day under consideration by the Council," added his Excellency Said Bey, "it is quite true that the President, to whom it was previously shown, said that he was in agreement with Mr. Block to accept the present reading, which he (Commandant Berger) did not think ought to be objected to by the other members of the Council. This had led him," concluded his Excellency Said Bey, "to declare to his Excellency the Minister of Finance that the dispatch of a letter of this kind would result in a favourable solution of the question, and, if this is not the case, my responsibility will be seriously compromised."

The President replied to the Anglo-Netherland Delegate by asking his permission to examine point by point each of the reasons he had just given to justify his hesitation. He trusted that his explanations would perhaps modify the conclusions of his colleague, for he attached the greatest importance to avoiding all divergence in the votes of the Delegates, and the application by the Council of the paragraph of Article 15 of the Decree of Mouharrem, which runs: "The members of the Council shall each have a vote. A majority of votes shall decide. Should the votes be equally divided, the President shall have the casting vote."

Mr. Block, in order to prove the optimism of the Imperial Government in their estimate of the surplus of the tithes, went back to the years 1898–1899, 1899–1900, 1900–1901, the last only yielding a surplus of £ T. 84,000, including arrears amounting to £ T. 95,000, which actually showed for the year a deficit of £ T. 11,000. He would observe, in reply, that the tithes intrusted to the Council for collection had been increased since that time; that the surplus from arrears had always been incorporated in the returns of the current tithes year; and that, lastly, the surplus of the tithes had risen again to £ T. 219,000 in the next year, with the result that the last five years had given an average of £ T. 370,000. Here, then, were facts sufficient to convince every member of the Council that he need have no fear of being placed in the position of being unable to fulfil the engagement which they were that day asked to make, a view which Mr. Block himself was not so much disinclined to share, since he now stated that in all probability the surplus of the "revenus divers" would be sufficient in the future for the payments in question.

Secondly, the Anglo-Netherland Delegate was uneasy about the decision taken by the Council, at the request of the Council of Administration of the Bagdad Railway Company, to provide, in the event of a deficit, the amount required for the service of its coupon by drawing upon the total constituted by the surplus of the tithes assigned to all the railways; he was of opinion, and quoted absolutely accurate figures in support of his statement, that this decision was calculated to encourage the Minister of Finance in not fulfilling his solemn engagements.

He considered also that the financial establishments which had issued loans of which the service was not met at the end of the year could in their turn consider themselves entitled to draw upon the surplus of the tithes, which would diminish by that amount the balance available for the three Roumelian provinces.

Lastly, Mr. Block protested, and rightly so, against the numerous irregularities which had been committed in the service of the tithes by the provincial authorities.

Without wishing to enter upon a detailed discussion of the question of the Bagdad Railway and of the loans, the President thought it sufficient to point out to his colleague that it depended upon the decision that the Council was about to take at this meeting to remedy once and for all the difficulties to which he very justly called attention arising out of certain violations by the provincial authorities of the solemn engagements of the Government.

With regard to the payment for military transport, the amount which Mr. Block charges to the surplus of the "revenus divers" in excess of £ T. 10,000 could be contested by the Government, who will no doubt remind the Council of the fact that the assignments did not exceed £ T. 10,000. With regard to the payments for military transport at the same time as the settlement of the kilometric guarantees, the railways do not agree to an arrangement of this nature, and have announced that they prefer to revert to the system of payments made at the time of the transport, as before; there was therefore no reason to deduct them from the surplus in question.

Mr. Block preferred that the surplus of all the revenues—"ceded revenues" as well as "revenus divers"—should serve as guarantee for the eventual recovery of any deficiency in the repayment of the £ T. 250,000, which was the maximum amount which the Government required the Council to engage to pay yearly to make good the deficit of the three Roumelian provinces. In principle all the members of the Council would be glad of this solution, and welcomed the proposal with enthusiasm when, owing to a misunderstanding, they believed that it had been proposed to them. On reflection, not one of them had hesitated in thinking that it was excessive, and the Anglo-Netherland Delegate himself was inclined to agree in this view, since he now only asked for a sum of £ T. 50,000 out of the surplus of the "ceded revenues" in addition to the guarantee of the surplus of the "revenus divers" offered by the Government.

Commandant Berger appealed to the spirit of conciliation of his honourable colleague, Mr. Block, not to insist on this point, seeing that he had already reduced his demand to a figure of small importance, and which now appeared to be the only cause of disagreement between him and his other colleagues.

Mr. Block wanted to know, continued the President, what the Council would do if the surplus of the "revenus divers" was insufficient. In this improbable case, seeing that the sum to be repaid could not reasonably be estimated at more than half or a quarter of the £ T. 250,000 guaranteed, and, if the arrangement suggested in the letter from the Government did not at once have a practical result, the Council would certainly find a suitable solution. He had on several occasions agreed to advances being made to the Government, in order to meet their wishes, for more important sums than those just mentioned. He had had no cause to repent it, since he had always been repaid regularly. If there was any reason to foresee at the present time that the line it was taking up would compel the Council one day to make an advance to the Government—an almost impossible state of things, the President did not hesitate to say, if the irregularities on the part of the provincial authorities ceased—the Council would be nevertheless amply justified in the eyes of the bondholders for having obtained for them by this means the considerable advantages which would materially and morally accrue to them from the application of the 3 per cent. customs surtax.

The Delegate of the Austro-Hungarian bondholders stated that it would be desirable, in order to forestall any possibility of a misunderstanding, to lay down in a formal manner that the legal responsibility of the undertaking which the Council was asked to assume would always, and necessarily, be limited by the clauses of the "Décret-Annexe" of the 14th September, 1903, respecting the employment of sums required for the service of the unified debt and for the reserve fund, and that, consequently, this undertaking shall not in any case prejudice the interests of the bondholders. Besides, if an advance were one day necessary of the kind suggested by the President, it would not be taken from the reserve, but from the current account as in the past.

The Italian Delegate, alluding to Mr. Block's last words to the effect that he would have to consult his Syndicates in the event of the Council disagreeing with him, said that, under the circumstances, he had not thought it necessary to inform his Syndicate of the question, seeing that revenues ceded to the bondholders were not involved, but the tithes, which did not directly affect them. If at any time the undertaking made on that day were to result in an advance, there was no reason whatsoever why it should not be made, as on many previous occasions, when the Council did not think it necessary first to consult their Syndicates.

Mr. Block regretted to observe that neither the President nor the Delegates shared his opinion as to the necessity of obtaining the supplementary guarantee which he demanded in the interests of the bondholders whom he represented. He attached, as always, great importance to the observations of the President; but he thought it his duty to maintain his opinion that the Council ought to endeavour to obtain from the Government the best possible guarantees. Mr. Block did not, however, wish to prolong the discussion by replying to Commandant Berger's observations one by one.

He confined himself to repeating that he was just as anxious to facilitate the task of the Government as the other members of the Council. He could not admit that his hesitation to agree with the President could hinder the solution of the 3 per cent. question, which, as it was of the highest importance to the bondholders, had always been the object of his most serious consideration.

In view, however, of the gravity of the decision which the Council was called upon to take, a decision which would bind it for a long period of years to an operation which did not resemble the operations hitherto undertaken by the Council, Mr. Block reserved his right to consult his Syndicate, and said he would make his decision subject to the instructions which he will receive from them in this respect.

The Council, after an exchange of views in which the question was fully considered, decided to request the Imperial Government first of all, through his Excellency the Imperial Commissary, that the numerous irregularities committed in the collection of the tithes by the provincial authorities in the course of the last few years should henceforward be put an end to. The Council considered it indispensable that the Government should undertake to issue at once precise orders to the agents of the Ministry of Finance in the provinces, so that these agents should no longer hinder the exercise of the right of intervention and effective co-operation to which the contracts in force entitled the representatives of the Debt.

After having received from his Excellency the Imperial Commissary the formal assurance that the Ministry of Finance would furnish its agents in the provinces with categorical instructions to avoid any fresh infraction of existing contracts and to facilitate the task of the representatives of the Public Debt, the Delegates, by a majority of 5 to 1—Mr. Block making his vote subject to the reply which he awaited from his Syndicates, and M. Nias, Delegate of the Ottoman Bank, being absent on leave—took the following decision:—

"The Council of the Ottoman Public Debt undertakes to pay annually to the credit of the Budget of the three Roumelian provinces the portion accruing to the Imperial Government of the proceeds of the customs surtax recently decreed, as long as this surtax is applied.

"The said Council also undertakes to meet annually any deficit in the above Budget up to the amount of £ T. 250,000 so long as the proceeds of the 'revenus divers' actually assigned shall be assured to it in their integrity by the Imperial Government."

His Excellency the Imperial Commissary was authorized to communicate this decision to the Imperial Government.

Reverting to the second despatch from his Excellency the Imperial Commissary, dated the 20th November, 1322 (3rd December, 1906), the President pointed out that the Imperial Government has asked the Council in this despatch to hold, till the close of the current year, at the disposal of the Imperial Treasury £ T. 250,000 destined for the expenses of the three Roumelian provinces. The advance would be secured on the surplus of the "ceded revenues" and "revenus divers" for the current year already assigned to the Ottoman Bank for its advances, the latter to inform the Ottoman Public Debt of its willingness to give priority to this advance of £ T. 250,000 for the administrative needs of the three Roumelian provinces on condition that repayment should be made of the sum of £ T. 250,000, plus interest, from the 75 per cent. of the surplus of the "ceded revenues" accruing to the Imperial Government in the following year, and, in case of insufficiency, on the same surplus of the succeeding year.

The Council after deliberation unanimously decided that—

"The Administration of the Ottoman Public Debt agrees to make to the Imperial Treasury an advance of £ T. 250,000, payable by instalments to the Budget of the three Roumelian provinces, according to the instructions of the Ministry of Finance, up to the end of the current financial year. This agreement remains, however, subject to the cession which the Imperial Ottoman Bank will notify to the Ottoman Public Debt of its prior claim to the surplus of the 'ceded revenues' and 'revenus divers' up to the amount of the said £ T. 250,000.

"The repayment of this advance will be effected before the settlement of all other claims, except the payment of the fixed assignments on these funds already specified to the Public Debt for this account."

Inclosure 4 in No. 109.

TABLE showing the Net Annual Surplus or Deficit in the Tithes Revenue ("Revenus Divers") from 1888 to 1905.

Year.	Surplus or Deficit.	Year.	Surplus or Deficit.
	£ T.		£ T.
1888–89	— 12,054	1897–98..	549,086
1889–90	132,934	1898–99..	141,089
1890–91	60,589	1899–1900	131,286
1891–92	207,104	1900–1901	84,085
1892–93	207,977	1901–1902	219,021
1893–94	162,563	1902–1903	369,462
1894–95	120,336	1903–1904	344,833
1895–96	83,492	1904–1905	261,908
1896–97	27,410		

No. 110.

Mr. G. Barclay to Sir Edward Grey.—(Received December 27.)

Sir, *Constantinople, December* 19, 1906.

I HAVE the honour to transmit herewith copy of a communication from the Sublime Porte, informing the Embassies of the agreement made with the Council of the Debt for the guarantee of the Macedonian Budget.

You will observe that the Porte states that it has given a formal undertaking to see that the whole of the assigned tithes revenues reaches the Administration of the Debt.

The formal engagement is also communicated by which the Council of the Debt undertakes to pay over to the credit of the Macedonian Budget such portion of the proceeds of the 3 per cent. increase of the customs duties as properly accrues to the Ottoman Government.

I have, &c.
(Signed) G. BARCLAY.

Inclosure 1 in No. 110.

Note communicated by the Ottoman Government to the Foreign Embassies.

POUR faire suite à sa communication en date du 9 Novembre dernier relative aux conditions auxquelles les Six Grandes Puissances subordonnent leur acceptation de la majoration douanière de 3 pour cent, la Sublime Porte a l'honneur d'informer leurs Excellences MM. les Ambassadeurs d'Allemagne, de Russie, de France, d'Italie, et d'Autriche-Hongrie, ainsi que M. le Chargé d'Affaires d'Angleterre, que l'entente prévue dans la dite communication vient d'être complétée avec le Conseil d'Administration de la Dette Publique Ottomane. Comme on le verra par la lettre, ci-jointe en copie, de M. le Commandant Berger à son Excellence le Commissaire Impérial, le Conseil d'Administration de la Dette Publique s'engage à verser annuellement au crédit du budget des trois vilayets de Roumélie la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière récemment décrétée tant que cette surtaxe sera appliquée. Le dit Conseil s'engage également à couvrir annuellement le déficit éventuel du budget précité jusqu'à concurrence de £ T. 250,000 aussi longtemps que le produit des revenus divers actuellement affectés lui sera intégralement maintenu par le Gouvernement Impérial.

En portant ce qui précède à la connaissance de MM. les Représentants des Six Grandes Puissances, la Sublime Porte s'empresse de déclarer que le Gouvernement Impérial a pris l'engagement formel de maintenir intégralement à l'Administration de la Dette Publique le produit des revenus divers actuellement affectés, en pleine conformité des Conventions existantes.

Le 18 *Décembre*, 1906.

(Translation.)

IN continuation of its communication of the 9th November last, relative to the conditions subject to which the Six Great Powers are prepared to accept the 3 per cent. customs increase, the Sublime Porte has the honour to inform their Excellencies the German, Russian, French, Italian, and Austro-Hungarian Ambassadors and the British Chargé d'Affaires that a final settlement of the understanding referred to in the said communication has been arrived at with the Administrative Council of the Ottoman Public Debt. As will be seen from the letter, a copy of which is annexed, from Commander Berger to his Excellency the Imperial Commissary, the Administrative Council of the Public Debt undertakes to place annually to the credit of the three Roumelian vilayets the portion accruing to the Imperial Government out of the proceeds of the customs surtax recently decreed, so long as this surtax shall be in force. The said Council also undertakes to meet annually the deficit in the above Budget, should there be one, to the amount of £T. 250,000, as long as the whole of the proceeds of the "revenus divers" actually assigned shall continue to be made over to it by the Imperial Government.

In bringing the above to the notice of the Representatives of the Six Great Powers, the Sublime Porte begs to declare that the Imperial Government has formally undertaken to make over to the Administration of the Public Debt the whole of the proceeds of the "revenus divers" actually assigned, in entire conformity with existing Conventions.

December 18, 1906.

Inclosure 2 in No. 110.

M. Berger to Saïd Bey.

Excellence, *Le* 4 (17) *Décembre*, 1906.

CONFORMEMENT à votre demande verbale de ce jour, j'ai l'honneur de vous confirmer par la présente les termes de la décision prise par le Conseil d'Administration de la Dette Publique Ottomane relativement à la demande du Malié de garantir dans une certaine mesure, à partir de l'année 1907–1908 (1323), le règlement du déficit du budget des trois vilayets de Roumélie.

Le Conseil de la Dette Publique Ottomane s'engage à verser annuellement au crédit du budget des trois vilayets de Roumélie la part revenant au Gouvernement Impérial sur le produit de la surtaxe douanière récemment décrétée, tant que cette surtaxe sera appliquée.

Le dit Conseil s'engage également à couvrir annuellement le déficit éventuel du budget précité jusqu'à concurrence de £T. 250,000, aussi longtemps que le produit des revenus divers, actuellement affectés, lui sera intégralement maintenu par le Gouvernement Impérial.

Veuillez, &c.

(Translation.)

Your Excellency, *December* 4 (17), 1906.

IN accordance with your verbal request of to-day's date, I have the honour to confirm to you by the present note the terms of the decision taken by the Administrative Council of the Ottoman Public Debt relative to the request of the Malié to guarantee in some measure, from the year 1907–1908 (1323), the settlement of the deficit of the three Roumelian vilayets.

The Council of the Ottoman Public Debt undertakes to place annually to the credit of the Budget of the three Roumelian vilayets the portion accruing to the Imperial Government out of the proceeds of the customs surtax recently decreed, as long as this surtax shall be in force.

The said Council also undertakes to meet annually the deficit in the above Budget, should there be one, to the amount of £T. 250,000, as long as the whole of the proceeds of the "revenus divers" actually assigned shall continue to be made over to it by the Imperial Government.

Accept, &c.

No. 111

Mr. G. Barclay to Sir Edward Grey.—(*Received January 7, 1907.*)

(Extract.) *Constantinople, December 31, 1906.*

I AM happy to be able to report that the advance of £ T. 250,000 for Macedonia has now been obtained from the Imperial Ottoman Bank, and the Grand Vizier has frequently assured me that this money would be remitted for Macedonia as soon as the advance was arranged.

No. 112.

Mr. G. Barclay to Sir Edward Grey.—(*Received January 18.*)

(Extract.) *Constantinople, January 13, 1907.*

I HAVE the honour to transmit Mr. Weakley's Report on the Customs, as well as copies of despatches from His Majesty's Consular officers on which the Report is partly based. These documents reveal a very unsatisfactory condition of affairs. Some amelioration has, indeed, occurred particularly in the matter of chemical analysis, in regard to which this Embassy has received no complaint of importance since the introduction of the new Regulations, and in a lesser degree as regards the numbers of the personnel of the principal custom-houses, the levying of storage dues, and the hours of service; but in the matter of custom-house accommodation, and in the delays in the custom-house operations, there has been no improvement; and as regards the porterage arrangements at Constantinople and Smyrna, the Tariffs and Regulations communicated by the Sublime Porte—the translation of the latter of which I inclose—do not satisfy the requirements of the case.

In the inclosed Memorandum (Inclosure No. 20) I indicate with all the precision I have found possible certain desiderata, which I venture to submit to His Majesty's Government as a basis for demands to be presented to the Sublime Porte as the minimum of what will be required before our consent is given to the increase in the duties. In the matter of custom-house accommodation, I would not, except as regards temporary constructions, suggest that we should delay our consent to the 3 per cent. surcharge until the improvements have been effected. In the joint note of the 30th September we asked that a sum of £ T. 100,000 should be assigned to reconstruction and improvement as soon as the Powers consented to the increased customs duties, and I would now merely demand an undertaking that the works needed should be executed without delay. As regards the temporary sheds at Stamboul, it will be noticed that I have set down as an alternative that an arrangement should be come to with the Quay Company for the construction of permanent buildings which the latter have undertaken to erect. There has been some delay in the negotiations between the Sublime Porte and the Company. If they come to terms, the ground to be occupied by the temporary sheds will be required for the permanent buildings.

I am communicating as an *aide-memoire* the list of desiderata to the Director-General of Customs.

I think that all the desiderata now submitted come within the eight points of our note of January 1906, though it is perhaps stretching a point to introduce desideratum (*a*) —that relating to bunker coal—in Class VI, "Opérations Douanières," but the question is of such importance, and at this moment is so acute, that I have ventured to include it.

I cannot say that the granting even of the demands suggested will render the condition of the Turkish customs entirely satisfactory; this object would probably only be attained under foreign control—indeed, it is quite possible that we shall find in time that the supervision to be exercised by the Ottoman Debt over the collection of the 3 per cent. surcharge is the reform which has done more than anything else to improve the custom-houses—but if the demands are accepted they should, so long as they are complied with in practice, result in a substantial measure of improvement.

I have privately communicated to the other Embassies the list of desiderata in the form in which I am presenting them to the Director-General of the Customs.

Inquiries respecting the State of the Customs to which the accompanying Despatches are the reply.

1. A substantial credit has been granted for the improvement of your custom-house: what steps have been taken towards improvement?
2. Has the Customs personnel been increased?
3. Is the Customs analyst at his post?
4. Are the instructions of the 27th January with regard to the hours of business in the custom-house properly observed?
5. Is the Circular of the 7th January respecting "ardié" obeyed?
6. Has the Circular of the 27th January been effective in facilitating the "visite douanière?"
7. Are weighing dues charged by the Customs?
8. (Only to Smyrna and Beirout.) Has there been any improvement in the "hamalage?"

Inclosure 1 in No. 112.

Report by Mr. Weakley, dated January 10, 1907.

THE time which has elapsed since the date on which the Sublime Porte informed His Majesty's Embassy of the measures taken by the Central Customs authorities, for introducing certain needed reforms in the Customs Administration both in the capital and in the provinces, has been amply sufficient to permit of the full entry into operation of most of the measures mentioned by the Porte, and, at the same time, has afforded fair opportunities for the appreciation of their effect in the removal or mitigation of some of the many defects and abuses in the Customs.

The *note verbale* of the Porte dated the 9th March, 1906, mentioned the measures taken for dealing with the special points to which its attention had been directed by His Majesty's Embassy in their note of the 18th January, 1906, and the Porte expressed the hope that His Majesty's Embassy would recognize the importance of the decisions taken, for giving satisfaction to the demands of trade. The special points referred to are eight in number, and are the following:—

1. Increase of storage accommodation in the custom-houses at Galata, Stamboul, Smyrna, Salonica, Beirout, Jaffa, Alexandretta, Mersina, and Bussorah.
2. Increase of the personnel of these custom-houses.
3. Satisfactory settlement of the "hamal" (porter) question, increase in their number, and adoption of measures for securing order and discipline in this branch of the Customs Service.
4. Proper official hours for the transaction of business to be fixed and observed.
5. Reasonable application of the Customs Regulations respecting the "ardié" (storage) dues.
6. Facilities for the "visite douanière," and the strict observance of the general instructions given on the subject in numerous Departmental Circulars.
7. Abolition of weighing charges.
8. Simplification of Customs formalities with regard to commercial travellers' samples.

The Porte, in its note dealing with these questions, intimated that, pending the conclusion of an arrangement with the "Société de Quais" for the construction of new custom-house premises in Constantinople, the Customs Administration had decided to erect temporary sheds at Stamboul for the storage of goods, and that the proposals of the Customs Administration for providing increased accommodation at other ports, was being considered by the Sublime Porte.

Secondly. That steps had already been taken for filling up vacancies and increasing the personnel—such as examiners, appraisers, &c.—of certain custom-houses.

Thirdly. With regard to the "hamal" (porter) question, Commissions had been appointed at Constantinople and Smyrna for studying and devising the proper means for introducing reforms into this service. As regards Beirout, the porterage service was entirely controlled by the Quay and Port Company, and the Ministry of Public Works had consequently been asked to study the question and to bring about a

satisfactory solution. The measures which would eventually be adopted would be communicated later.

Fourthly. Instructions had been given by circular to all Customs Directors to see that Article 4 of the Customs Regulations, defining the official hours of business, was strictly observed.

Fifthly. The "ardié" tax would no longer be charged on goods not actually in the Customs warehouses, and instructions had been given to all Heads of the Customs Administration to see that no delays were incurred in the removal of goods claimed by consignees from the depôts to the "bureaux de visite" ("Salles de Vérification"); and, further, that merchants should not be held responsible for any "ardié" tax due because of delays solely caused by the Customs.

Sixthly. Categoric instructions had been issued to the Customs Directors in the Empire to adopt the best means for expediting all custom-house transactions, and that it had also been decided to institute a strict surveillance over all officials, in order to remove all cause for complaint on the part of traders.

Seventhly. The charges made for the weighing of merchandize were not imposed by the Customs, but were exacted by the "hamals" engaged in handling goods on and off the scales. This point really formed part of the porterage question; it would consequently be considered in conjunction with it and a satisfactory arrangement made.

Eighthly. Measures had been taken for facilitating and simplifying the formalities connected with the refund of 7 per cent. of the duty paid on commercial travellers' samples when these samples leave the country.

Ninthly. Indicated the steps taken for providing various custom-houses with chemical laboratories and the necessary analytical chemists, in accordance with the stipulations of the new Law on chemical analysis.

Such were the measures announced by the Porte, which were to remove all cause of complaint, and which were considered to meet all the demands and requirements made by His Majesty's Embassy for radical improvements in the working of the Customs Administration.

Of these eight points, four, viz., No. 4, fixing the regular official hours for the transaction of public business, No. 5, the "ardié" tax, No. 6, facilities for the "visite douanière," and No. 8, concerning commercial travellers' samples, were supposed to have received their solution by the issue of circular instructions to Customs officials. The question of weighing charges—No. 7—was included in the larger and more important porterage question, so that there only appeared to remain three points, namely:—

No. 1. Increased storage accommodation.
No. 2. Increase of personnel, and lastly,
No. 3. The porterage question, which demanded attention and solution.

Investigations which have been made here, in order to ascertain the degree of improvement which has been introduced into the working of the Stamboul and Galata custom-houses since the issue of the orders and instructions announced, have shown that, with the exception of the new law on chemical analysis, which is working in a fairly satisfactory manner, and a more reasonable application of the regulations relating to the levying of "ardié" (storage) dues, no very material change for the better has otherwise taken place, and traders find themselves still hampered by difficulties and unnecessary delays, which greatly hinder the accomplishment of formalities and the rapid clearance of merchandize.

The reports which have been received from His Majesty's Consuls also more or less testify to the very small measure of improvement noticeable in the custom-houses of their respective districts.

Taking each of the eight points in review, the information obtained shows the following to be the actual state of affairs:—

1. *Increased Accommodation.*

In a previous Memorandum a list was given of the appropriations made by the Central Customs Administration, with the consent of the Porte, for the enlargement of existing buildings, or the putting up of new stores and offices at various ports and localities.

The annexed Table I, the details of which have been obtained from his Excellency Hassan Fehmi Pasha, Director-General of Customs, now purports to show the exact amounts which the Customs Administration is authorized by the Porte to spend on necessary improvements in certain ports and towns.

In Table II, which is also annexed, will be found the details of expenditure required in certain other localities, but for which the sanction of the Porte has still to be obtained. The total amount which still requires authorization is 1,418,420 piastres, or about £T. 14,030, so that the general improvements contemplated by the Central Administration will involve a total expenditure of about £T. 93,000.

It will be observed that the work of construction of buildings in eleven localities is indicated in Table I—as having been completed and finished, the total amount expended being, according to the Table, 472,059 piastres. It will, however, be seen, that, with the exception of the improvement said to have been made, of the Moussuler Han at Bagdad—demanded by His Majesty's Embassy on previous occasions—and the enlargement of the depôts at Alexandretta, the localities where improvements, in some cases of no particular benefit to trade, are claimed to have been effected, are mostly of secondary importance.

Nothing has yet been done for providing increased space at Smyrna. Hassan Fehmi Pasha stated that plans and estimates of the new works and buildings were being prepared, and it was hoped that the Administration would very soon be in a position to invite tenders for the work.

Salonica.—An Imperial Iradé, issued last year, authorized the putting up of new Customs premises on the new quays, but nothing so far has been done. The cost of these new buildings does not appear in the list of appropriations, and it is understood that special provision has been made for meeting the expenditure required for the new premises. The accommodation at present available, is, however, quite insufficient and defective, and no shelter has been provided for perishable goods. Owing to the entire absence of proper storage room, inflammable goods have to remain afloat for days at a time at considerable and unnecessary expense, in the way of lighter hire, to the owners. Improved means for the more rapid landing of goods from lighters on to the quays is urgently required, and powerful steam cranes are necessary.

Beirout.—Arrangements have still to be made for the purchase of a convenient site from the Quay Company. The matter is stated by Hassan Fehmi Pasha to be under consideration.

Bussorah.—The Central Administration is, it is understood, still in communication with the authorities at that port, but apparently no decision has yet been arrived at.

Alexandretta.—A sum of 89,000 piastres is shown as having been expended on new depôts. The information received from His Majesty's Acting Vice-Consul, however, shows that nothing further than two small wooden sheds, of no real practical value, have been erected, and that the accommodation for the landing of goods is most defective.

Mersina and Jaffa.—Appear to have been entirely omitted in the general scheme of improvements, and no credits seem to have been opened for enlarging the Customs premises in those two ports.

Trebizond.—The credits required for building new warehouses for goods in transit, and for enlarging the existing stores have not yet been sanctioned by the Porte, and therefore there is little prospect of anything being done in the near future.

Constantinople.—Pending the conclusion of the negotiations which had been entered into about eighteen months ago with the "Société des Quais" for the construction by that Company of the new Customs buildings both at Galata and Stamboul, the authorities decided to provide some extra space at Stamboul, and determined to erect temporary sheds which would provide shelter for goods, and would, in a measure, relieve the chronic congestion of the relatively small warehouse accommodation of the custom-house. This decision was announced in the Porte's note of the 9th March, 1906, but has not been carried out.

With the increase of imports which always takes place in the autumn and winter seasons, the Customs depôts have, as usual, been frequently blocked, and unable to receive the quantities of goods discharged from ships and brought daily in pontoons and lighters to be landed at the quays. On such occasions the Customs authorities have instructed the Quay Company to suspend operations of discharge on to the quays, with the consequence that goods have been compelled to remain afloat in lighters for 15 and 20 days at a time, exposed to all the inclemency of

weather. The maximum delay in the discharge of British goods has been about 15 days, but goods brought by foreign steamers, especially Austrian and Italian, have been known to remain in lighters for 20, 22, and 24 days. This has been of such frequent occurrence this season that the usual charge of 2·50 fr. per ton made by the Austrian Lloyd Steam-ship Company for landing goods from their steamers has been raised to 6 fr.

It is not to be supposed for one moment that, had the promised sheds been put up and available, the continual block experienced in the Customs depôts this season would have been entirely avoided, but it is safe to presume that the erection of sheds would certainly have provided shelter for a considerable quantity of the merchandize which had to be kept afloat. Congestion of the present limited storage spaces, and the consequent impossibility of the depôts to provide shelter for the goods which have to pass through the custom-houses, is not to be attributed solely to the insufficiency of accommodation, but also to the length of time taken in the removal of goods from these depôts to the examining departments ("Salles de Vérification"), and to delays which hinder the prompt clearing of merchandize out of the Customs buildings. With the present conditions in force the quantity of merchandize cleared daily is necessarily very small, and out of all proportion to the large amount of goods which constantly flows in and requires storing; under circumstances such as these, therefore, it is obvious that unless a more expeditious system of clearing be introduced the increased storage accommodation promised will not very materially alter the state of affairs, for the new storage spaces would be encumbered, and very soon blocked in exactly the same way as happens at present in the old depôts.

The insufficiency of warehousing space in all the important custom-houses has, however, now been recognized, and measures, it is stated, have been taken and credits granted for providing the necessary requirements of each custom-house; but should the work of construction be even undertaken immediately, there is little prospect of the benefit of these measures being felt by the trading public at an early date.

Requirements.—Setting aside the question of the increase of space necessary for the "Salles de Vérification" at Galata and Stamboul, and the adoption of better and quicker methods for examining and clearing goods, which has been dealt with under point No. 6 (facilities for the "visite douanière"), the requirements which seem necessary under point No. 1 are the following:—

1. An assurance that the construction of the new custom-house buildings and depôts at Smyrna and Beirout will be undertaken and finished within a reasonable time; that the new premises at Salonica will also be undertaken without any loss of time, and that, pending their construction, a roofing be put over the space between the first and second warehouses in order to give shelter to perishable goods, and that temporary sheds be erected for the storage of inflammable goods; that four powerful steam-cranes be purchased and placed on the quays for the rapid discharge of lighters.

2. An assurance that proper premises and depôts will be erected at Bussorah; that means will be taken to deepen the creek and enlarge the quay frontage.

3. Suitable accommodation, in proportion to the needs of trade, be provided at Alexandretta, and that a proper pier be erected.

4. That the Customs accommodation at the ports of Mersina and Jaffa, for which no provision has apparently been made, should be improved.

As regards Mersina, two new stores are necessary, as well as a new landing-stage for the landing of goods.

The site occupied by the custom-house at Jaffa will allow of no extension or enlargement of the present buildings, and it will therefore be necessary to erect new premises on another site conveniently near the seashore. In the meantime, the open space in front of the custom-house should be covered over, stores should be hired for warehousing goods, and two powerful cranes should be purchased and put up at the landing wharf, where lighters can conveniently approach in rough weather.

5. *Trebizond.*—The building of the new stores for goods in transit, mentioned in Table II, should be taken in hand, and the present transit store be repaired and made available for use as a regular custom-house depôt. A proper pier for the landing of goods from lighters must be provided.

6. *Constantinople.*—As regards the custom-houses at Stamboul and Galata, some kind of shelter must be provided for storing goods for which no room can be found in the ordinary depôts. It has been noticed that within the last few days the Customs authorities have commenced the erection of a wooden structure close by and leaning up against one of the depôts assigned for the warehousing of British goods. This temporary structure may, presumably, be one of the sheds promised in the Porte's

note, but it would seem ill adapted for the purposes for which it is intended. The question of storage accommodation would receive satisfactory solution, were the negotiations, now in an advanced stage, between the Government and the "Société des Quais," with regard to the building, by the latter, of the new Customs premises at Stamboul and Galata, to lead to an agreement at an early date. It is understood that a complete agreement has been come to on nearly all points, and that the principal questions now at issue are the determining of the amount of the Government share in the cost of the new buildings, and, secondly, the nature of the guarantee to be given by the Government for the payment to the "Société" of the Government share of the cost. The work of construction once decided upon and begun, attention could first be directed to the putting up of the new permanent stores, and thus ample covered space would be obtained in a few months' time for warehousing purposes. The early conclusion of an arrangement with the Quay Company might be urged as an alternative to the erection of temporary sheds.

In connection with the storage question, it is necessary to point out that, although there is an insufficiency of accommodation, a great deal of space in the depôts is wasted owing to the entire want of order and system of stowage, and consequently the depôts are blocked by a considerably less quantity of goods than they would, under better conditions of stowage, take in. The porters employed in the depôts do not fulfil any of the requirements of the new Porterage Regulations with regard to their ability of distinguishing marks and numbers with a view to the prompt identification of goods. The consequence is that bales and cases bearing the same marks and belonging to one consignment are found scattered in different parts of the depôts, and their withdrawal from the depôt entails much loss of time and labour. It would seem most essential that a proper and methodical system of stowage should be devised and introduced in all Customs dépôts, as a means of economizing space and of assuring the easy identification and withdrawal of goods.

2. *Increase of Personnel.*

The increase made in the personnel of the Administration is, according to a list recently obtained from his Excellency Hassan Fehmi Pasha, the following:—

Alexandretta	13	Smyrna	36
Mersina	10	Lattakia	2
Haiffa	1	Ghazza	5
Jaffa	4	Saida	5
Akka	2	Scutari in Albania	10
Adrianople	2	Meedi (Yemen)	9
Dédéaghatch	3	Delos (Salonica)	5
Rodosto	1	Preveza	3
Manish Bay	4	Mudania	1
Benghazi	3	Haidar Pasha	8
Samsoun	13	Constantinople (import)	15
Trebizond	11	" "	15
Unieh	1	Beirout and district (to be appointed)	40
Surmeneh	2		

Analytical Chemists.

Constantinople (And 1 bacteriologist)	7	Durazzo	1
Trebizond	1	Salonica	1
Ineboli	1	Sarandoz	1
Smyrna	1	Asakabori	1
Jaffa	1	Tripoli in Barbary	1
Beirout	1	Jeddah	1
Scutari in Albania	1	Alexandretta	1
		Bussorah	1

Hassan Fehmi Pasha stated that this increase will involve an extra monthly expenditure of 99,305 piastres.

The reports received from His Majesty's Consul-General at Smyrna show that the personnel has really been increased. The addition of eleven clerks to the personnel at Salonica is reported to be inadequate to deal with the increasing business of the port, and a further addition will consequently be necessary.

Beirout.—No increase has been made in the number of the actual staff of the

custom-house proper, although an addition of some forty employés, mostly guards, &c., has been made in Beirout and outlying districts.

Bussorah reports that no increase has been effected.

Alexandretta.—The personnel must be increased by six officials.

Mersina.—An increase has been made, but another assistant appraiser ("estimator moavini") is required.

Jaffa.—The personnel is considered sufficient.

Trebizond.—No increase has been made, and the post of appraiser ("estimator") is vacant.

Constantinople.—The personnel at the Stamboul and Galata custom-houses does not appear to be sufficient, and great delays are caused thereby. An increased number of "araidjis" (examiners), "mubassirs" (clerks), "muhassibs" (clerks), "poussoula" and "sened mouharirs" (writers of receipts), "veznédars" (cashiers), and "iskéllé menouri" (receivers of goods landed at the quays) is very necessary. It is also essential that the personnel of the "Eshiayi Ainieh" department (the department where duty is paid in kind) should be increased by several "memours" (receivers) and "kiatibs" (clerks), and that an addition of ten porters at least should be made to the present staff.

Requirements.—It may be sufficient to draw attention to the necessity of increasing the staffs at Salonica, Buss rah, Alexandretta, Mersina, and Trebizond, in the sense of the reports of His Majes y's Consular officials. As regards Constantinople, the increase of the personnel in the different branches of the service, as already mentioned, appears necessary, as one of the means for removing all causes of delay in the clearance of goods.

3. *Porterage.*

Referring to this question, the Porte, in its note of the 9th March, 1906, intimated that special Commissions had been appointed at Constantinople and at Smyrna to consider the measures necessary to be taken for putting the porterage services of the two custom-houses on a satisfactory footing, and, further, that the results of the deliberations of these Commissions would be duly communicated to His Majesty's Embassy.

The Porte has recently transmitted copies of the tariffs of porterage for the Stamboul and Galata custom-houses, as well as a copy of Rules drawn up by the special Commission for regulating the porterage service. Copies were at the same time received of the Smyrna porter tariff, with the list of reductions effected in that tariff by the Smyrna Commission.

The tariff of transport charges of the Galata and Stamboul porters communicated by the Porte is not new, and is the one which has been nominally in force for the last twenty years and more, and, with the exception of some vagueness with which it is to-day invested, owing to its not having been revised and brought up to date, traders, it is understood, have little fault to find with the amount of the various charges fixed for the different zones in the city. Several suggestions have been made by the British Chamber of Commerce, some of which might be urged for bringing the tariff more up to date and for rendering it more explicit. The suggestions are:—

1. The correction of the definition of the limit of the first zone in Galata, which should be the premises formerly occupied by the Imperial Ottoman Bank.

2. The determination of the weights carried by porters in kilogrammes and not in okes.

3. The weight to be carried by one porter to be fixed at 100 kilog. instead of 60 okes (78 kilog.), and that it should be permissible to make up several packages, such as cases of candles, wines, &c., into one load of 100 kilog.

4. That the weights of the various pole-loads should be defined, each pole-load to be 100 kilog.

5. No charges to be made for unloading goods from lighters at the custom-house, as this operation is now done by the Quay Company.

6. The charges for the transport of goods by hand-truck should be mentioned in the tariff.

7. It is important that merchants should be free to employ their own carts or hired carts, or other means of conveyance, for the transport of their goods from the custom-house to their stores. The charge to be made by the custom-house porters for the loading of such carts and conveyances should be the minimum rate defined for transport within the first zone.

All these suggestions, with the exception, perhaps, of the third, are important, the last being the most essential of all.

The representations of His Majesty's Embassy to the Porte on the subject of the Constantinople custom-house porters have, however, had no bearing on the tariff, against which there has been no special complaint, but have been wholly directed to the imperative necessity of putting an end to the utter lawlessness of the members of the Porter Guild and of steps being taken by the Porte for placing the porter service under the control of some responsible authority, and, further, of insisting upon the freedom of transport. The perusal of the set of new Rules which are intended to regulate the working of the porter services only confirms the fact that the Customs Administration has absolutely no control over the porters, does not engage them, and is not able to dismiss one of their number. The Porte has therefore communicated a tariff which it is powerless to enforce, and the new Regulations for the working of the porter service partake more of the nature of a list of recommendations to the Porter Guild, the members of which are free to follow or not, as they please.

The nomination and appointment of the Headman ("Kiahya"), which in former times was done by the porters themselves by way of election, is now in the hands of His Majesty the Sultan. Every porter on joining the guild has, on enrolment, to pay the Headman an entrance fee which varies in amount from £T. 15 to £T. 40. The porters enrolled are some 200 or 300 in number, so that the enrolment fee represents a very large sum.

According to an established rule, any porter, when leaving the guild, has the right of selling his membership, so that his enrolment fee is practically returned to him by his substitute.

The porters, it is understood, are bound to hand over their daily earnings to the "késsédars" (keepers of the common purse). The Headman has a right to a certain percentage of all the daily takings, and, after that amount has been deducted from the gross sum, the remainder is divided, according to a recognized scale, between the porters, the deputies of the Headman, and the officers of the guild.

The porters are divided into gangs under "kolbashis," and these gangs are told off to work, turn about, in the different departments of the Customs. The four principal departments where these gangs find employment are :—

On the quays, to transport goods from the quays to the doors of the depôts.
In the depôts.
Examiners' department ("Salles de Vérification").
Outdoor work for transport of goods from Customs to merchants' stores.

The guild has besides to furnish the number of porters required—some sixty or seventy—for work at the arsenal and the gun foundry at Tophaneh. The men are employed in these Government Departments one day a week, and have to give their labour free of charge.

With the exception, perhaps, of the men whose turn it is to transport goods from the quays to the depôts, and who consequently do not during this service come much into contact with the public, the gangs employed in the departments in the Customs look upon traders as their lawful prey, and the latter are entirely at their mercy. The merchant is laid under contribution for every bale and package found and removed from the depôt to the Salle de Verification, and official openers ("atchijis"), reclosers, and weighers have also to be satisfied. The work which, however, is apparently looked upon as the most lucrative, is that of transporting goods from the Customs to merchants' stores. For this service the porters, although nominally supposed to abide by the tariff, can really demand what they please, but it often happens, that, owing to the good relations which merchants are bound to keep up with the men, a permanent arrangement is generally made. These arrangements are, of course, valueless, for the porters are at any time free to cancel them on the slightest pretext.

No care whatever is bestowed in the handling of goods, and much damage is caused by the use of sharp hooks. It also very frequently happens that goods are seriously and hopelessly damaged during the transport from Customs to merchants' warehouses. In a case which has recently come under notice, goods carried by porters to a merchant's warehouse were damaged during their transport to the extent of £T. 40, and although a claim was presented to the Customs Administration, no redress has or is ever likely to be obtained.

The whole body of men, through the guild, possess real vested interests in all matters of porterage in the custom-houses as well as to traders' warehouses. They

are entirely free of control and under no discipline, and consequently are at liberty to indulge in all manner of extortion and lawlessness.

In view of the very important vested interests involved, the porterage service monopoly, which constitutes one of the grossest abuses of the Customs Administration, presents many and very serious difficulties of solution, but the obvious one is, that the porterage service should, like all other Customs services, be brought under the direct control of the Administration, and that the Administration should undertake all responsibility for the good behaviour of the men, and be liable for damage to merchandize caused by their carelessness.

Smyrna.—It is necessary to point out that the Commission which drew up the new tariff of reductions, had a few local traders amongst its members. These traders had, however, received no authority from native or European merchants to represent their interests on the Commission, and further no European merchants were consulted.

The reductions made in the Tariff charges, do not affect European goods to any extent, the attention of the Commission having apparently been mainly directed to the relief of goods imported from other parts of the Empire from the payment of excessive porterage dues.

The annual receipts from porterage are estimated to be about £ T. 15,000, of which some £ T. 10,000 fall to the custom-house share, and £ T. 5,000 to the Deputy of the Headman of the Guild. After deducting the amount necessary for the maintenance of the staff of porters, and the reductions recently made in the Tariff, the custom-house still realizes a substantial profit of from £ T. 4,000 to £ T. 5,000 per annum.

It would therefore seem necessary to insist upon further material reductions to the extent of £ T. 3,000 being made in the tariff on the "indoor" porterage charges affecting purely European goods, and that the list of reductions already made be revised, so that it should benefit European merchandize to a greater extent.

It would also seem necessary to demand the freedom of all "outdoor" porterage to and from the custom-house.

4. *Official Hours of Business.*

The Regulations which define the official hours during which public business has to be transacted appear on the whole to be better observed in most of the custom-houses since the instructions issued on the 14th (27th) January, 1906. A good deal of slackness is, however, observable at the Stamboul and Galata custom-houses, and there appear to be no fixed hours of business at Bussorah.

5. "*Ardié*" (*Storage Charges*).

There has been a partial solution of this question, and goods are not now subject to these storage charges until they are actually in the customs depôts and remain there for a longer period than the eight free days allowed by the Regulations for clearance. An exception to this improvement has been noticed at the Galata custom-house branch for spirits, wines, flour, &c. Goods which have to be examined and passed through this branch of the Customs are considered as being in the Customs warehouse as soon as they are discharged on to the quays. These goods very often have to remain on the quays for a number of days before they can be removed to the depôts, and are consequently charged a ground rent by the Quay Company. The authorities at this special custom-house, however, insist upon levying the "ardié" tax, although the goods may never have been anywhere near the depôts. It is necessary that instructions should be issued in order to bring the levying of the "ardié" charges at this special customs under the same rules as are now in force in all the other Departments.

Contrary to the instructions issued, the "ardié" charges are still imposed at Salonica for feast days when the custom-house is closed. Feast days have been excluded from the operation of the "Ardié" Regulations, and it will be necessary to have orders issued for putting a stop to this irregularity.

The "ardié" tax was instituted essentially with the object of compelling merchants to withdraw their goods from the custom-house premises within eight days, dating from the day on which the goods entered the depôt, but was never intended to be a regular source of Customs revenue. No storage dues are charged for the first

eight days, but the scale of taxation after that period is a heavy one, and becomes a very serious item of expense. Merchants, however, are obliged to pay the "ardié" dues because of the many delays which prevent the clearance of merchandize within the time allowed by the Regulations, and are, so to speak, fined for delays for which they are not responsible.

It is true that in the general instructions of the 14th (27th) January, 1906, issued by the Central Customs Department, on the subject of the "ardié," an effort was made to shield traders from the payment of the tax if its incurrence was proved to be due to delays brought about by the Administration. Traders were authorized to require that the date upon which they made their application for the withdrawal of their merchandize should be stated on their delivery order, and that no tax ought then to be imposed if clearance was effected in a length of time greater than that accorded by regulation. This measure, if strictly enforced, might afford some relief, but it has failed of its purpose, as officials, presumably fearing responsibility, decline to carry out the formality of noting the date of application on delivery orders. The only radical measures which would guarantee merchants against the unreasonable imposition of this tax seem undoubtedly those which ought to be taken by the Administration for removing all causes of delay which would then permit of a more prompt and regular clearance of merchandize.

6. *Facilities for the "Visite Douanière."*

Notwithstanding the assurance given by the Porte that steps had been taken to secure more efficiency and rapidity in the working of the Customs, there has been nothing so far to show that any improvement has taken place either in the Central Administration or at the ports since the date on which that assurance was given. It may confidently be stated that there has been no attempt whatever at reorganization of the different departments, and, beyond a partial solution of the "ardié" (storage) question, and a slight improvement noticed in the observance of the rules with regard to the hours appointed for the transaction of business—points which have already been alluded to—no disposition has been shown to grapple with the more serious and important questions of reform and removal of abuses. Traders still complain of the unnecessary delays, the endless formalities, and the difficulties met with at every turn when clearing their goods through the Stamboul and Galata custom-houses.

The reasons for these delays and difficulties are various, and as far as can be ascertained, are to be attributed, in the first instance to the bad and inadequate accommodation provided for storage, and the small amount of space allotted for the inspection of goods and for the performance of all the formalities necessary for the clearance of merchandize. To this must be added the insufficiency of the staff, which although perhaps more than sufficient at certain times of the year, is quite unable to cope satisfactorily with the large amount of traffic which passes through the custom-houses of Galata and Stamboul during the busy season.

One other factor must be mentioned, which contributes very materially to impede all Customs operations. This is the absence of efficient control and surveillance of the staff, and the immunity which Customs officials enjoy from all responsibility for slackness or negligence in the performance of their various duties.

The principal points which demand attention in order to introduce some improvement in the working of the custom-houses at Stamboul and Galata are:—

1. Increase of accommodation for the examination of goods ("Salles de Vérification").
2. Increase of staff.
3. Improvements in the Appraisers' departments, the department for the payment of duty in kind, and the "Bureau de la Caisse."

The simplification of formalities and the establishment of an efficient system of control over the staff, and the necessity of placing officials under some kind of responsibility for the proper discharge of their duties, are general measures which ought to be decided upon and carried out in every department and office under the Central Administration, both in the capital as well as in other ports. Investigations which have been made at the custom-houses at Stamboul and Galata have shown that the departments set aside for the inspection of goods ("Salles de Vérification") are ill-adapted, and the spaces quite insufficient to allow of the examination of bales and cases with any semblance of rapidity or regularity. The examiners are few in

number, and are consequently unable to keep up with the work of their department, whilst the formalities of examination are long, and some apparently unnecessary. Should the necessary storage accommodation be provided one or more of the present depôts could be used specially for the examination of goods, and would permit of the work being carried on with greater freedom and regularity, and, perhaps, with some dispatch. The staff in this Department, consisting of Araidjis, Moubassirs, Mouhassibs, as well as porters, must, as has been mentioned under Point II: Personnel, be considerably increased. in order that the Department may be able to keep abreast of the work during the busy autumn and winter months.

Unnecessary delays and great loss of time is incurred in the formality of appraising the value of goods, and equal delays are also incurred in the formality of controlling the valuations made by appraisers of every kind of merchandize which goes through the Customs daily. The amount of duty to be levied on goods cannot be determined until the valuations have been controlled and approved of. This control is exercised by the Director of Customs, and traders complain of the length of time taken up by this formality. The duty of controlling the values of the very large quantity of merchandize passing through the Customs should be intrusted to more than one official, if delays are to be in any way minimized.

An irregularity of which traders complain is the arbitrary manner in which the Director of the Stamboul Customs alters the valuations of goods, after these valuations have been controlled and passed by himself. These alterations are made after traders have declined to accept the valuations on one class of goods, and declared their intention of paying duty in kind, and have, on the other hand, agreed to the valuations on other classes, the duty on which would be paid in the usual way. It appears that not unfrequently the Director, in such cases, assumes the right of revising the valuations already controlled, and of increasing those of the goods the duty on which the trader has agreed to acquit by cash payment.

Difficulties and delays are further met with when traders have to accomplish the formalities connected with the payment of duty in kind, the special department set aside for this service being quite inadequate as regards space, and is manned by a small staff quite unable to deal with the business which comes through the department. It will be necessary to insist on increased accommodation being provided, that a reasonable number of employés be appointed (see Point II: Personnel), and that a reduction be made in the formalities with which all transactions in this department are at present hampered.

It will also be necessary to increase the space allotted to the "Bureau de la Caisse," or to transfer this office to some more central and convenient part of the present building. An increased number of cashiers is required in this office.

One of the abuses of long standing—which ought to be put an end to—is the exaggerated rates fixed by the Customs for the conversion of foreign moneys into the equivalent of Turkish piastres, for the purpose of determining the value of foreign goods.

It appears that the rates fixed and adopted by the Customs are—

The £ sterling	132 piastres gold.
„ mark	6·75 „ „
„ franc	5·10 „ „

These rates are some 11 per cent., 23 per cent., and 16 per cent. above the official value.

Thus, merchandize valued by the Turkish Customs at £ T. 100 would be taxed—

	Piastres.
100 £ sterling at 132 piastres gold	13,200
Duty of 8 per cent. less 10 per cent.	950
Whereas the value of 100 £ sterling is 100 £ sterling at 110 piastres gold ..	11,000
and the duty	792

These rates are, moreover, subject to further increase when the values of such goods as "articles de luxe et de fantaisie" have to be determined, and traders affirm that the mark, which has an official value of 5·50 gold piastres, is sometimes increased to 8 gold piastres; and the franc of 4·40 gold piastres is fixed at 5·0 piastres and even 6 piastres.

Parcels Post.—Attention should be directed to the deplorable state of this very important department in the custom-house, and radical changes in the system of conducting the work in this branch should be insisted upon. Difficulties and delays

are met with at every turn, and the formalities are most tedious and altogether unnecessary. The expenses incurred in the withdrawal of parcels of samples of no value are quite unwarranted, and it very often occurs that the sum defrayed exceeds the amount of duty and the value of the parcel itself.

No improvement in the methods of custom-house operations have been noticed at Smyrna, Bussorah, Beirout, Mersina, or Salonica since the issue of the instructions of the 14th (27th) January, 1906. The authorities at Salonica, like those at Stamboul and Galata, are not satisfied with the inspection of the contents of cases of tinned provisions or provisions in bottle, but insist on opening a certain number of the tins and bottles to verify their contents. The opening of bottles and especially of tins containing provisions, is obviously a cause of loss to the owner of the goods, and it would seem reasonable to demand that the Customs should receive the opened tins and bottles of provisions, as payment of duty in kind.

With regard to Trebizond, the difficulties met with at the custom-house of that port appear to increase daily. New measures of exceptional severity have been recently instituted for the examination of all cases and packages addressed to British, French, and American missionaries residing at Trebizond or in the interior. The examination of such goods has to be carried out by a Special Commission which is composed of the Chief of Police, a representative of the local military authorities, the President of the municipality, and the Director of Customs. It is only after the termination of this special control by the Commission, that the ordinary Customs formalities can be proceeded with; but as the Commission meets very irregularly, the clearance of goods is done with difficulty and involves a great loss of time.

7. *Weighing Charges.*

The charge made for weighing goods is not a custom-house tax, but was said by the Porte to be the small charge made by the porters for carrying goods to the scales and lifting them on and off. This question was to have been solved in conjunction with the porterage question.

No change has, however, been effected, for the porters still exact their gratuity, under the name of "Manella parassi," authorized by the new Regulations, and the "kantardji" (weigher), the real offender and the cause of the complaint, must also be paid.

The formality of weighing should rightly be accomplished before the goods enter the Customs stores, so that this operation should not interfere with and cause delays in any of the more important formalities connected with the clearing of merchandize. As, however, weights are only necessary for the assessment of duty on certain classes of goods, or for establishing the amount of storage dues, the formality of weighing other classes of goods, the duty of which is determined by measurement, &c., would appear to be almost superfluous, and should therefore be made optional on the part of traders.

8. *Commercial Travellers' Samples.*

The arrangement made by the Customs Administration for allowing the free entry of samples of no value brought by commercial travellers, and facilities for the prompt refund of duty paid in deposit on samples of value when leaving the country, as announced in the Porte's note, has not proved satisfactory, and has not sensibly tended to remove the difficulties which commercial travellers meet with when coming to and travelling in Turkey.

The defects of the arrangement have already been recognized by the Customs Department, and a set of Regulations were to have been drawn up. Hassan Fehmi Pasha stated recently that these Regulations had now been framed, and would shortly enter into force. It will, however, perhaps be necessary to point out that the arrangements mentioned in the Porte's note fall short of all requirements, and that precise regulations of a nature to afford facilities to commercial travellers' samples should be framed.

Constantinople, January 10, 1907.

Annex (A).

TABLE I.—Showing the Amounts authorized by the Porte for the Enlargement of various Custom-houses and building of new Customs Premises.

	Piastres.
Smyrna—	
Enlargement of the store for storing goods left in kind ..	7,715
*Enlargement of passengers' "salon"	97,182
Enlargement of Import Department	3,280,000
Repair of landing-stage of Import Department	19,689
Ironwork in Import Department..	19,000
Beirout.—Sum to be paid for purchase of land from the Quay Company. (Under consideration)	2,800,000
Bussorah.—Depôts and offices	530,519
*Trebizond.—Enlargement of stores and Archive Department ..	8,075
*Alexandretta.—Enlargement of depôts	89,000
Samsoun.—Shed	17,456
Benghazi.—New Customs building	28,276
Adrianople (Karaguzler, Kilissékulé), Dérindjé (Haidar Pasha).—New Customs buildings	278,116
Mudania.—New offices	219,671
*Scutari in Albania.—New offices	31,548
Dédéaghatch.—New depôts and offices	74,468
*Rhodes.—New offices	76,900
Brakova. Avramova, Karatash (Salonica).—New offices ..	96,000
*Tchai Aghzi (Salonica).—New buildings for housing members of Preventive Service	6,856
*Rodosto.—Building of temporary landing-stage	25,460
*Saida.—New offices	45,815
*Bagdad.—Covering over of court-yard of "Moussliler han" ..	19,477
*Dévébaghrdan (Salonica district)	38,139
*Carlovo. (Salonica district).—New offices	33,607
Akka.—New offices	41,800
Kara Aghatch (Salonica district).—Purchase of land for new offices	30,000
Rizeh (Trebizond district).—Sheds, roofing of	4,845
Rashka.—Repair of offices and building of a guard-house ..	10,670
Ismidt.—New offices	30,908
Total	7,961,292

Annex (B).

TABLE II.—Expenditure at various Customs-houses, and for which the authorization of the Porte has been applied for by the Customs Administration.

	Piastres.
Rizeh (Trebizond district).—Building of stone depôts and new offices	50,000
Kerasond (Trebizond district).—Purchase of land and building of new offices	87,000
Trebizond.—Building of new stores for goods in transit ..	656,015
Haiffa.—New offices and stores	125,481
Uskub.—New offices	240,000
Trebizond.—Stores and offices	10,782
Erzeroum.—Offices at Karaboulak	19,394
Djunié.—Building of eight huts for Preventive Service ..	10,476
Kush Ada.—Contribution towards the building of various landing-stages and a new guard-house	16,573
Shikia.—New offices	15,722
Constantinople district.—Repair of 108 huts used by Preventive Service	50,000
Constantinople.—Building of shed at the fruit and perishable goods custom-house	13,440
Constantinople.—Building of shed near the import depôts ..	123,537
Total	1,418,420

* Those marked with an asterisk are finished.

Inclosure 2 in No. 112.

SALONICA.

Consul-General Graves to Mr. G. Barclay.

Sir, *Salonica, December* 13, 1906.

I HAVE the honour to submit herewith a Memorandum which I have drawn up, after consultation with the principal British shipping agents and merchants, in answer to the inquiries contained in your despatch of the 25th November on the subject of the Salonica custom-house. I also inclose copies of a Petition which has recently been addressed to the Minister of Customs by the principal shipping agents at Salonica, drawing attention to various shortcomings in the local Customs Service which are in urgent need of remedy.

It will be seen that no substantial improvement has taken place since I last reported on this subject on the 27th February, nor does any such improvement appear probable, unless a complete reorganization of the Customs Service is undertaken under competent European supervision.

I have, &c.
(Signed) R. W. GRAVES.

Inclosure 3 in No. 112.

Memorandum by Consul-General Graves.

NO steps have been taken to improve the accommodation of the Salonica custom-house since its transfer, three or four years ago, to its present place on the new harbour. The present accommodation is not only insufficient, but greatly scattered, some of the business being still transacted at the old custom-house. Perishable goods are still exposed in the open to damage from weather, and no provision has yet been made for the storage of inflammable goods, which still have to remain in lighters, paying heavily for lighterage. There are only three old winches in use, with a maximum lifting capacity of 1,200 kilog. At least four steam winches of 3,000 kilog. lifting capacity are required to avoid the frequent delay and loss caused by this deficiency, goods being left in the lighters at the risk of the insurers and receivers.

It is suggested that, pending the construction of the new custom-house, a temporary roofing should be put up between the first and second warehouses for the protection of perishable goods.

2. There has been no further increase in the personnel since that reported in my telegram of the 27th February, 1906. That took place more than a year ago, and consisted of an addition of eleven clerks to the original number of fifty. The increased number is now found insufficient to deal with the growing business of the custom-house.

3. The Customs Analyst attends daily at his post, and is said to do his work satisfactorily, but there are complaints that his hours of attendance are not sufficiently long to dispose of all the business, and that delay is also caused by the fact that his office is not in a central position, but at the old custom-house.

4. The hours of business appear to be fairly well observed by the staff. It would, however, be most desirable to fix them according to European time, by which the arrivals and departures of trains and steamers are ruled, instead of adhering to the absurd and unpractical Turkish time, which varies daily, and gives a working day which is too short in winter and too long in summer.

5. "Ardié" is still charged for delays caused by festivals. A receipt for the payment of "ardié" for four days during which goods were detained during the last Bairam has been produced to me. In other cases it is no longer charged when it can be proved that the merchant is not responsible for the delay; but there is often difficulty in proving where the responsibility lies, and the merchant has to pay unless he is strong enough to fight the case.

6. I have not been informed of the terms of the Circular of the 27th January with regard to facilitating the "visite douanière." No material improvement has taken place in this respect. The great grievance is still due to the police examination of all goods, which causes endless delay, damage, and vexation. Only two police officers are detailed for this purpose, who are on duty alternately, so that only one is

available at a time, and the police-station is at some distance from the custom-house warehouses. Much loss is caused by probing with sharp instruments and by opening 10 per cent. of sardine boxes, tinned provisions, and preserves, &c., which become unsaleable, while cases of window-glass and glass-ware, bags of nails, and barrels of oil are all opened.

7. No weighing dues are legally chargeable, but I am informed that in practice it is difficult to get any goods through without the payment of "kantar parassi" to the persons employed in weighing and verifying the weights. There are well-authenticated cases in which this illegal charge has been levied both on the steam-ship agents and on the receivers of imported goods.

The following complaints are also deserving of attention:—

1. When merchants object to the valuation of their goods, which is often arbitrary and exaggerated, and propose to pay in kind, the authorities put every possible difficulty in their way, so as to enforce the payment of the duty in cash.

2. The greatest difficulty is experienced in working goods in transit, especially in the matter of insuring the regular attendance when wanted of the official without whose supervision such goods must be re-shipped.

3. No proper control is exercised over the custom-house porters, who have established a profitable monopoly to the exclusion of outside labour, and complaints are made of the delays caused by the lateness of the hour at which they begin work.

4. Another constant source of delay is to be found in the fact that there is still only one cashier to receive all the payments made in this important custom-house.

5. The payment of "baksheesh" in the form of gratuities to the subordinate officials, though not exacted, is still essential to the easy and rapid transaction of all business, and influential persons continue to be favoured at the expense of the general public.

Inclosure 4 in No. 112.

Petition addressed by Shipping Agents at Salonica to Fehmi Pasha.

A son Excellence Hassan Fehmi Pacha, Directeur-Général des Contributions Indirectes à Constantinople:

Excellence,

NOUS croyons superflu de rappeler à votre Excellence les progrès commerciaux et économiques réalisés depuis quelques années par la ville de Salonique, un des plus beaux et des plus grands ports du vaste Empire de Sa Majesté Impériale le Sultan.

Ces progrès successifs ont accru sensiblement l'importation des marchandises de toute sorte, et chaque jour les bateaux des diverses Compagnies maritimes débarquent en notre ville des milliers et des milliers de colis provenant de divers points du globe.

Ainsi qu'il appert d'une statistique publiée dernièrement dans la presse locale, les recettes du premier semestre de l'exercice actuel de la douane d'importation de notre ville ont accusé, en comparaison de celles de l'année financière 1319 (v. s.) le surplus important de £ T. 50,000 environ, ce qui constitue une preuve éclatante et irréfutable en faveur des progrès économiques et commerciaux que nous nous efforçons de faire ressortir ici.

Nous avons constaté avec un réel plaisir que les autorités compétentes ont bien voulu prendre en considération le nombre de jour en jour plus important des arrivages de marchandises, et l'année dernière elles ont, à la grande satisfaction du corps commercial, augmenté sensiblement le personnel actif des douanes de Salonique.

Mais seulement la distance entre les bureaux et les entrepôts de la douane et le bord de la mer s'étant accrue, par suite de la construction des quais et des travaux du port, ce département a été contraint de transférer ses bureaux et ses magasins aux hangars construits par la Société du port, ce qui a entraîné la répartition dans différents endroits des formalités douanières. Malgré cela et bien que les arrivages aient augmenté depuis quatre ans de 60 pour cent. le déchargement des marchandises des mahones sur les quais s'effectue encore aujourd'hui, comme par le passé, au moyen de deux vieilles grues qui ne sont pas dans un état convenable. Cet état de choses oblige les agents des bateaux à vapeur à attendre des journées entières pour pouvoir décharger à tour de rôle les mahones amarrées le long des quais devant les magasins

de la Douane. Cela occasionne des retards considérables dans l'emmagasinage des marchandises arrivées et souventes fois celles-ci restent, faute de temps et de moyens, exposées en plein air sur les quais à la pluie, aux boues, et aux autres intempéries de la saison.

Votre Excellence, dont la haute sagesse est universellement connue, ne manquera certainement pas de reconnaître que toutes ces causes réunie anéantissent totalement les bienfaits que le corps commercial ainsi que les agents des Compagnies maritimes de notre ville étaient en droit d'attendre de l'augmentation du personnel.

Pour les motifs ci-haut exposés, le déchargement de la cargaison d'un bateau demandant plusieurs journées consécutives, les négociants ne peuvent pas entrer à temps en possession de leurs marchandises—ce qui est très nuisible au commerce—et sont quasi toujours obligés d'acquitter des droits de magasinage.

Nous sommes persuadés que sous les auspices de Sa Majesté Impériale le Sultan et grâce à la vigilance et à la sollicitude qui caractérisent votre Excellence, dont nous avons eu l'honneur et le bonheur d'apprécier les hautes qualités pendant les longues années qu'elle gouverna si habilement notre vilayet, la nouvelle bâtisse de la Douane, dont les plans ont été déjà dressés et approuvés et dont l'adjudication continue, sera commencée et construite dans un très prochain avenir, à l'entière satisfaction de tout Salonique.

Nous sommes en droit d'espérer qu'alors les inconvénients dont nous avons parlé seront aplanis entièrement une fois pour toutes.

Nous croyons utile cependant de rappeler à votre Excellence que la construction de la nouvelle douane durerait au moins quelques années, dans le cas même où elle aurait été déjà commencée; tandis que la continuation de l'état actuel—au grand détriment et préjudice du commerce—ne peut être tolérée un seul moment.

Il est donc indispensable, Excellence, de prendre provisoirement les dispositions adéquates pour y remédier au moins pour le moment.

Il faudra, d'après notre humble avis, doter la douane de Salonique de quelques grues à vapeur afin de faciliter et hâter le déchargement des marchandises ou augmenter les grues actuelles de quatre au moins et avoir soin qu'elles soient très perfectionnées et du dernier système pour permettre aux quatre préposés déchargeurs (Lista-Mémouris) de décharger, en cas de besoin et toutes à la fois, les cargaisons des quatre bateaux qui pourraient se trouver en même temps dans notre port. De plus, il y aurait lieu de faire construire, d'accord avec la Liste Civile, une toiture entre les hangars Nos. 1 et 2 afin de pouvoir y garder les marchandises dont l'emmagasinage ne peut s'effectuer le soir même, et à défaut de quoi restent exposées aux intempéries de la saison pour une raison ou pour une autre.

On pourrait à la rigueur recourir aux grues à vapeur que le port dispose et qui les mettraient à votre disposition à des conditions favorables.

Ces mesures adoptées, votre Excellence aura comblé une partie des revendications des agents des Compagnies maritimes, et aura ainsi rendu un très grand service au commerce de notre ville dont, durant son séjour parmi nous, elle a été un des plus illustres bienfaiteurs et protecteurs.

Dans l'attente d'un accueil bienveillant et favorable à notre requête, nous vous prions, Excellence, de croire à nos sentiments de profonde et sincère déférence.

(Translation.)

To his Excellency Hassan Fehmi Pasha, Director-General of Indirect Contributions at Constantinople:

Your Excellency,

WE consider it superfluous to remind you of the commercial and economic progress achieved during the past few years by the town of Salonica, which is one of the finest and largest ports in the vast Empire of His Imperial Majesty the Sultan.

This gradual progress has sensibly increased the import of all sorts of goods, and every day the vessels of the different Shipping Companies discharge in our town thousands and thousands of cases from different parts of the globe.

As appears from statistics lately published in the local press, the receipts of the import custom-house of our town during the first six months of the present financial year show the important increase of about £ T. 50,000 over those of the financial year 1319 (o.s.), which constitutes a clear and irrefutable proof of the commercial and economic progress which we are here trying to demonstrate.

We note with real pleasure that the competent authorities have been good enough to take into consideration the daily increasing number of arrivals of goods, and last

year, to the great satisfaction of the commercial community, they considerably increased the active staff of the Customs at Salonica.

But on account of the increased distance between the offices and storehouses of the Customs and the shore, caused by the construction of quays and harbour works, that Department has been obliged to transfer its offices and warehouses to the sheds built by the Harbour Company, which involves the fulfilment of Customs formalities in different places. In spite of this, and although arrivals have been increased by 60 per cent. during the last four years, the discharge of goods from lighters on to the quays is still effected, as before, by two old cranes, which are not in good condition. This state of things obliges steam-ship agents to wait whole days in order to discharge, in turn, the lighters moored alongside the quays before the Customs warehouses. This causes considerable delay in warehousing goods which arrive, and these often remain, for lack of time and means, in the open air on the quays exposed to rain, mud, and the other inclemencies of the weather.

Your Excellency, whose high wisdom is universally known, will certainly not fail to recognize that all these causes together utterly annul the benefits which the commercial community and the agents of the Shipping Companies of our town had a right to expect from the increase of the staff.

For the reasons set forth above, as it takes several consecutive days to discharge the cargo of a ship, merchants cannot take over their goods in time, which is very injurious to trade, and are almost always obliged to pay storage dues.

We are persuaded that, under the auspices of His Imperial Majesty the Sultan, and thanks to the vigilance and solicitude which characterize your Excellency, whose high qualities we had the honour and happiness of appreciating during the many years for which you so ably governed our vilayet, the new Customs building, the plans of which have already been prepared and approved, and tenders for which are still under consideration, will be begun and finished in the near future to the entire satisfaction of all Salonica.

We have the right to hope that then the inconveniences of which we have spoken will be entirely and once for all removed.

We, nevertheless, think it useful to remind your Excellency that the construction of the new custom-house would take at least some years, even were it actually begun; whereas the continuation of the present state of things, to the great detriment and prejudice of trade, cannot be borne a single moment.

It is therefore, your Excellency, indispensable to make adequate provisional arrangements to remedy it, at least for the moment.

In our humble opinion, the custom-house of Salonica should be provided with a few steam-cranes to facilitate and expedite the discharge of goods, or the present cranes should be increased by at least four, and care should be taken that these should be very good ones of the latest pattern, so as to permit of the four superintending stevedores ("Lista-Memuris") discharging, if need be, at the same time the cargoes of four ships which might find themselves simultaneously in our port. Further, a shelter should be built, by agreement with the Civil List, between sheds Nos. 1 and 2, where goods which it is impossible to store the same evening can be kept, which now, for the lack of such a shelter, remain exposed to the inclemency of the weather for one reason or another.

At the worst, recourse could be had to the cranes belonging to the harbour, which would let you use them on favourable conditions.

By taking these steps your Excellency will have met a part of the requirements of the agents of the Steam-ship Companies and will thus have rendered a very great service to the trade of our town, of which, during your stay amongst us, you were one of the most illustrious benefactors and protectors.

In the expectation of a kind and favourable reception of our request, we beg your Excellency to believe in our sentiments of deep and sincere deference.

Inclosure 5 in No. 112.

BUSSORAH.

Consul Crow to Mr. G. Barclay.

(Telegraphic.) *Bussorah, December* 11, 1906.

ANSWERS to 1, 2, and 6,* in the negative; 5,† in the affirmative; 3, municipal doctor attends if required, but charges fees or exacts gratuity for his work; 4‡, no fixed hours for beginning work, custom-house open generally six hours daily; 7§, no official fees, but gratuities exacted for weighing. Merchandize still stored in open, exposed to weather. Coolie service and quay front entirely inadequate. Custom-house creek so shallow that lighters can only approach at highest tide. Merchandize remains many days in lighters exposed to weather; no facilities for prompt discharge.

Inclosure 6 in No. 112.

BEIROUT.

Consul-General Sir R. Drummond-Hay to Mr. G. Barclay.

Sir, *Beirout, December* 12, 1906.

WITH reference to your despatch of the 25th November respecting the Beirout custom-house improvement, I called on the Director of Customs, who informed me, in reply to your inquiries—

1. That he is in correspondence with the General Customs at Constantinople regarding the extension of warehouses, but had not yet received any definite instructions on the subject. He had, however, reasons for believing that the necessary orders would not be delayed much longer.

2. The Customs personnel has been increased by twenty at Beirout and by thirty at the outposts; but I have ascertained on further inquiry that these additions comprise only the lower employés, such as guards, &c. The actual personnel of the Customs offices and warehouses have not been increased.

3. The Customs analyst is at his post.

He arrived here about four weeks ago with another for the post of Jaffa.

The Beirout analyst receives a salary of £T. 16 a-month.

4. The hours of business in the custom-house are from 8 A.M. to 4.30 P.M. in winter, and in summer they are of longer duration—from nine to ten hours.

5. With regard to the instructions of the 27th January respecting "ardié," the Director of Customs stated that they are strictly enforced, but on the other hand merchants assure me that the officials will never admit that any delays are caused by the customs, and frequently refuse to give the "bon de livraison" with an indorsement to that effect.

6. When cases or bales contain only one class of goods, the "visite douanière" is facilitated, but there is a general complaint among merchants that unnecessary delays occur in the examination of packages of mixed goods.

7. Weighing dues are not charged, but I understand from private sources that goods cannot be weighed without the payment of a "baksheesh" amounting to several pennies on each package.

8. The Director of Customs stated that the "hamala" are paid by the Port Company, and the service is controlled by the Customs Administration; that there are from 150 to 160 "hamala" always in readiness, for service of whom 115 are in receipt of monthly wages, and never less than 110 are in daily employment.

After careful inquiries among business men I have ascertained that the number of paid "hamala" has not been increased. They are divided into three groups:—

For importation	70
„ exportation	17
„ "petite importation"	18
	105

* 1. Accommodation; 2. Increase of personnel; 6. Facilities for "visite douanière."
† 5. "Ardié." ‡ 4. Official hours. § 7. Weighing dues.

The true number of importation "hamala" is only sixty, as about ten are either in the private service of Customs officials or prevented from working owing to ill-health or old age.

British and foreign trade depend almost entirely on this section of the porterage, which requires an increase of about thirty men at least.

I should also mention that the "hamala," as already reported in my despatch of the 8th March, 1906, although paid servants of the Company, extort also from merchants heavy "baksheesh" for the removal of goods from the warehouses.

This branch of the Custom-house and Port Company's services is in need of further reform, and should be placed under a reliable control.

I have, &c.
(Signed) R. HAY DRUMMOND-HAY.

Inclosure 7 in No. 112.

Consul-General Sir R. Drummond-Hay to Mr. G. Barclay.

Sir, *Beirout, November* 1, 1906.

WITH reference to your despatch of the 30th September, informing me that an Imperial Iradé had been issued authorizing credits for the purpose of meeting expenditure connected with the necessary improvements in Turkish custom-houses, I have the honour to report that the Director at this port has not received any recent instructions relating to this matter. Plans and estimates of the new structures required were furnished by him last spring, as reported in my despatch of the 8th March. The latter, and my Reports noted in the margin,* contain full particulars on the subject. I regret to state that the disorder and confusion caused by insufficient space for storage in the custom-house still continue, notwithstanding all the efforts of the new Director to remedy matters. During this winter a large portion of goods will be inevitably left without shelter, and give rise to great losses and innumerable complaints of merchants.

I have, &c.
(Signed) R. HAY DRUMMOND-HAY.

Inclosure 8 in No. 112.

Acting Vice-Consul Catoni to Consul Longwerth.

Sir, *Alexandretta, November* 30, 1906.

I HAVE the honour to inform you that I have received serious complaints from the agents representing English Steam-ship Companies, as well as from Lloyd's agent and other Insurance Companies, as to the bad state of the custom-house at Alexandretta and of its landing pier.

In fact, there are no "hangars" to protect the goods when landed, part of which remain very often in the court-yard exposed to rain and the overflow of the sea.

Another important matter is the landing accommodation, which is very defective. The present wooden pier, being too short, in fine weather the sea is too shallow to admit of the approach of lighters without running the risk of grounding. This pier is, besides, in a very unsafe condition.

I beg to remit herewith copy of the telegram sent by all the shipping agents to the Director-General of the Indirect Contributions to this effect, and I shall feel very much obliged if you will kindly report the matter to the Embassy.

I have, &c.
(Signed) JOSEPH CATONI.

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* Dated January 25 and February 7, 1906.

Inclosure 9 in No. 112.

ALEXANDRETTA.

Acting Vice-Consul Catoni to Mr. G. Barclay.

Sir, *Alexandretta, December* 10, 1906.

I HAVE the honour to reply to the inquiries inclosed in your despatch of the 25th November.

1. So far no steps have been taken towards custom-house improvements of any importance, nor seems there any such intention. Besides the small wooden "hangar" which has been built last year, and which has now proved to be of no real use, no other improvements have been done. The landing accommodations already mentioned in Vice-Consul Catoni's Report of the 7th January last are even more defective than previously. In fact, the wooden pier is altogether unsafe. The sea having also retired, lighters cannot now, but with difficulty, approach it, and often, when they are well loaded, they ground at a distance of about 3 yards from the pier.

2. The Customs personnel has been increased, but six more employés, I understand, are required in order that the work may be more satisfactorily carried out.

3. No analyst has been appointed yet.

4. The hours of business since January are better observed.

5. The Circular of the 27th January respecting "ardié" is obeyed.

6. Notwithstanding the little improvement concerning the "visite douanière," yet merchants meet often with difficulties from Customs officials, and this with a view of obtaining "baksheesh."

7. No weighing dues are charged by the Customs.

I have, &c.
(Signed) JOSEPH CATONI.

Inclosure 10 in No. 112.

MERSINA.

Vice-Consul Loiso to Mr. G. Barclay.

Reply to Inquiries respecting the Mersina Custom-house.

A CREDIT of 2,000 piastres only has been granted to the custom-house here, which has been employed for the repairs of the tiles of its roof. But as to the building of two warehouses for the goods, as explained in my despatches to His Majesty's Embassy of the 28th December, 1905, and of the 7th January, 1906, no care has been taken nor any credit granted.

2. The custom-house personnel has been increased, but a person should still be added as assistant valuer in the custom-house.

3. There is no special Customs analyst. This service is done by the doctor of the municipality, which is considered sufficient by the commercial people of Mersina.

4. The hours of business in the Customs are properly observed.

5. The Circular of the 27th January respecting "ardié" is obeyed, and is applied in conformity.

6. The Circular of the 27th January has presently its effect.

7. The custom-house perceives no weighing dues.

(Signed) TH. LOISO.

Inclosure 11 in No. 112.

TREBIZOND.

Consul Karagheuzian to Mr. G. Barclay.

Sir, *Trebizond, December* 17, 1906.

I HAVE the honour to acknowledge the receipt of your despatch of the 25th ultimo, and to give the following information about the state of the custom-house at Trebizond :—

1. No actual steps have been taken during this year towards the improvement of the custom-house. Only about two years ago they covered outside the building a space in order to store big bales, flour bags, cement, &c.; but this is such a small thing compared with the business that the merchants are not as much benefited as they should be.

2. The custom-house personnel has not been increased. The post of the estimater is now vacant, and has been so for several months. The Nazir has written to the Central Customs Administration asking for an official to fill this post, but as yet no one has been sent.

3. About a month and a-half ago an analyst was sent, but for a whole year past or more his post was vacant.

4. The hours of business in the custom-house are as follows :—

During winter, about eight hours; they open at 3·30 (Turkish) in the morning, and close at 11·30 (Turkish) in the evening, taking out one hour at noon for dinner; but during the summer about eleven hours, less one and a-half hours at noon. They open it at 11·30 (Turkish) in the morning, and close it at 10·30 (Turkish) in the evening.

5. With regard to the "ardié," there is the same arrangement as before, *i.e.*, first week free, for the second week a charge of 10 paras for a package weighing below 100 kilog., if above 100 kilog. 20 paras per day for each box, but for the bales 1½ piastres generally. As to the transit goods for the first month there is no charge, but for the first nine months 20 paras per month per package.

6. Instead of facilitating the "visite douanière," it seems that day by day new difficulties are created. Little consideration is taken for the interests of the merchants, and they have many complaints to make of the custom-house and the custom-house people. Both clerks and examiners are very slow in executing their duty, and unless a present ("baksheesh") is given, it is almost impossible to have a box cleared without long and tedious excuses and delays.

7. They do not charge any weighing dues.

I have heard from the Nazir that they wished to transfer the place of the examination of transit goods into another part of the city, so as to enlarge the space where local goods are now examined. It seems apparent that no authorization of this kind has as yet reached the Nazir.

I have, &c.
(Signed) A. KARAGHEUZIAN.

Inclosure 12 in No. 112.

Consul Karagheuzian to Mr. G. Barclay.

Sir, *Trebizond, December* 27, 1906.

IN connection with my despatch of the 17th instant, permit me to explain herein the new regulation of the custom-house which is in force for the boxes of English, American, and French missionaries established both in Trebizond and in interior.

The examination of the missionary goods has entirely been subjected to greater difficulties than ever before by a new order from Constantinople. They, without exception, must be opened before a special Commission, which consists of the Chief of the Commissary of Police, the President of the municipality, one of the landing-stage Commissioners (on the part of the military), and the Mudir or the First Secretary of the Custom-house.

The formality for a box now takes at least a week, and often more than two weeks if there are several boxes, because of the difficulty in gathering the whole Commission together, as each member of that Commission has other business to attend to.

The box is opened, and each article carefully examined by this Commission. The box is then repacked and closed to await the further examination of the regular custom-house officials. At this latter examination they do not pay any attention to the carefully-prepared invoice, but they make a new list in which every single article is recorded and a new price list made out.

In case any box contains any books or papers, these must be sent to another part of the town to await another examination by the censor. In this case the box must wait in the custom-house until these books or papers are returned. When they have been returned to the custom-house the box must be again opened in order to put in these books or papers. During this delay articles are frequently stolen.

I have, &c.

(Signed) A. KARAGHEUZIAN.

Inclosure 13 in No. 112.

JAFFA.

Acting Vice-Consul Falanga to Mr. G. Barclay.

Sir, *Jaffa, December* 8, 1906.

I HAVE the honour to acknowledge the receipt of your despatch of the 25th ultimo, and to give hereafter the detailed answers on the seven inquiries contained in it:—

1. No steps whatever were taken for improving the building of the custom-house in order to stop the existing difficulties in the clearing of the goods and the landing of passengers; the inclosed copy of a telegram which was addressed on the 24th ultimo to the "Administration-Générale" at Constantinople by the agents of the Steam-ship Companies at Jaffa is proof of the above statement.

2. The staff of the Customs has been increased by one examiner and some porters, which is considered sufficient by the merchants.

3. The Analyst has been appointed by the Direction at Constantinople, but he has not arrived yet to take his post; his salary of £T. 10 a-month is entered in the books of the Customs here, and he is expected to arrive every day.

4. The hours of work are regularly kept and cannot be augmented.

5. The "ardié" is charged always on the same principle, starting to count eight days after the landing of the goods, if these are under cover or out in the open air.

6. "Visite douanière": The same difficulty which delays this work continues to exist, and it is due to the want of space in the present building of the custom-house; when two or three ships land their goods on the same days there is not sufficient space to stow them separately, therefore they are put *pêle-mêle*, which results in a considerable loss of time when they have to be delivered.

The importers of heavy pieces of machinery or money safes, besides the delay and loss of time they have to suffer, also complain of the heavy expense they have to endure in having such goods taken up from the lighters on the platform, and from the platform to the cart in front of the gate of the Customs (distance 10 yards). They are often compelled to pay more than the freight of the goods from Liverpool or London to Jaffa (most of these goods being imported from England). The cause of this is the same, viz., want of space on the landing-place to put up one or two strong winches. The consignees of such goods have to pay unreasonable prices imposed on them by the porters ("hamals") of the Customs, who perform the "manutention" in their own and primitive way; one may reckon that a piece of machinery weighing 3 tons will cost 4*l.* to have it carried from the lighter into the cart.

7. No weighing dues are charged by the Customs.

I ask the liberty to add that the only means to facilitate the general trade respecting the Customs formalities at Jaffa would be to erect a new building, and the best spot for such a building would be the one indicated in my despatch of the 26th July, 1904.

For the interval of the time of the construction of the new building, the

alteration asked by the agents of the Shipping Companies in their telegram should be necessary, viz., the covering of the open yard at the entrance of the Customs. It would also be necessary to hire sufficient stores in the vicinity to put up the goods in cases of emergency; also a good strong winch of the lifting capacity of 4 tons ought to be rigged in the most convenient place where the lighters can approach during bad weather in the winter time.

I have, &c.
(Signed) J. FALANGA.

Inclosure 14 in No. 112.

Telegram addressed by Agents of Shipping Companies at Jaffa to Fehmi Pasha.

(Traduction.) *Le 24 Novembre*, 1906.

NOS plaintes et nos réclamations réitérées en ce qui concerne les marchandises arrivant par nos bateaux qui sont débarquées en plein air et qui restent exposées à la pluie ou à la chaleur du soleil par suite du manque d'emplacement dans l'édifice de la douane ont été prises en considération, ainsi qu'il a été prouvé par l'arrivée à Jaffa d'Usni Bey, Délégué expressément envoyé à cet effet. Usni Bey, après avoir constaté lui-même la justice de nos plaintes, a bien voulu promettre de faire couvrir le terrain, actuellement à découvert, qui se trouve à l'entrée de la douane et ceci pour être effectué au service des voyageurs, ce qui aurait laissé plus de place et aurait causé moins d'incombrement à la pièce destinée à la vérification des marchandises; il a promis en outre d'obtenir autorisation pour la construction d'une nouvelle douane.

Au mois d'Août dernier le Directeur-Général des Douanes de Beyrouth a bien voulu faire une visite à Jaffa, et il a constaté et confirmé que les mêmes inconvénients et difficultés insurmontables existent; il a aussi promis de faire couvrir immédiatement l'endroit en question et de faciliter l'autorisation de la construction d'une nouvelle douane.

Le mois de Novembre vient de s'écouler, la saison des pluies a commencé, et aucun indice des améliorations promises n'a été aperçu, ni pour ce qui regarde la couverture à l'entrée de la douane, ni pour ce qui regarde la construction projetée d'une nouvelle douane. Les marchandises continuent à se trouver exposées aux intempéries de l'hiver, et si cet état de choses n'est pas remédié par la mise en construction d'une nouvelle douane et, pour le temps de l'intervalle de la durée de la construction, si une couverture n'est pas placée à l'endroit désigné à l'entrée de la douane, l'Administration des Douanes sera seule responsable des dégats causés aux marchandises de commerce.

Nous sollicitons à ce que nos justes réclamations soient prises en sérieuse et prompte considération.

(Translation.)

November 24, 1906.

OUR repeated complaints and demands as to goods arriving by our ships, which are discharged in the open air and remain exposed to the rain or the heat of the sun in consequence of lack of room in the custom-house, have been taken into consideration, as has been proved by the arrival at Jaffa of Usui Bey, a delegate expressly sent for the purpose. Usui Bey, after having himself verified the justice of our complaints, was good enough to promise to have the ground in front of the custom-house, which is now exposed, roofed in and assigned to the use of passengers, which would have allowed more space, and caused less encumbrance of the room intended for examining goods; he also promised to obtain authorization for the construction of a new custom-house.

Last August the Director-General of Customs at Beirut was good enough to visit Jaffa, and he verified and confirmed the existence of the same inconveniences and insurmountable difficulties; he also promised to have the spot in question immediately roofed in, and to facilitate the authorization for the construction of a new custom-house.

November is now just over, the rainy season has begun, and there is no sign of the promised improvements, either as regards the roofing of the entrance to the custom-house or the proposed construction of a new custom-house. Goods are still exposed to the rigours of winter, and if this state of things is not remedied by beginning the construction of a new custom-house, and by roofing in the place named at the

entrance of the present one during the continuance of the building operations, the Customs Administration will be alone responsible for the damage caused to articles of merchandize.

We beg that our just demands may be seriously and promptly taken into consideration.

Inclosure 15 in No. 112.

SMYRNA.

Consul-General Cumberbatch to Mr. G. Barclay.

Sir, *Smyrna, December* 18, 1906.

REFERRING to the *post scriptum* of my despatch of the 6th instant, and to the first part of my telegram of the 11th instant, on the subject of certain contemplated custom-house ameliorations, I have the honour to report that on the 15th instant I had a long interview with the Director of the Smyrna Customs, in order to satisfy myself how far he was in a position to carry out the instructions of the Grand Vizier, firstly, "to settle questions pending at the Smyrna custom-house," and, secondly, "to meet my wishes as regards reforms."

1. Regarding the half-dozen or so pending questions, he still awaits instructions from the Central Customs, and he cannot settle them without such instructions. He, however, promised to urge for the necessary authority to dispose of them.

2. With regard to reforms, the result of our conversation was that I came away with the conviction that little or nothing more of a practical nature was to be expected than what has already been done.

Taking the Report of the Consular Corps of the 26th April as a basis, I will endeavour to explain the actual situation, though it may be necessary to recapitulate some of the statements contained in my reply to your queries of the 25th November:—

(*a.*) *Personnel.*—Recommendations carried out thoroughly by the addition of eighteen employés, including the four suggested in the Report.

(*b.*) "*Hamalik.*"—Recommendations carried out as regards increasing the staff to 150 men, and increasing wages from 270 piastres to 300 piastres a-month.

(N.B.—The question of tariff and the "hamalik" question generally to be reported on separately.)

(*c.*) *Materiel.*—Recommendations only partially carried out by steps taken to procure one crane and complement of rails, the reason for not ordering two cranes being the desirability of waiting till the new warehouse is built, when different dispositions regarding cranes will be needed.

(*d.*) *Mesures Administratives.* (1.) *Formalités.*—No simplification effected or likely to be effected. Instructions have been given to the "araidji" (No. 4) to see that the "mubassir" (No. 5), "kantardji" (No. 6), sirikdji" (No. 7), and "kessirdji" (No. 8) are always on the spot to assist at the manipulation of goods, in order that receivers may not have to waste their time, as hitherto, in hunting for these employés separately. To insure punctuality in the performance of his duties, the "kessirdji," hitherto an outsider, is henceforward to be appointed and paid by the custom-house.

It is claimed that the quay clerk (No. 16) ought not to be included among Customs employés, and that Nos. 18 and 19 represent one "formalité."

As regards the publication of new regulations, prohibitions, and changes, the recommendation on this important point has evidently been overlooked, as also the necessity of fuller discretion and authority being given to the Director to settle disputes—a most important requirement.

(*e.*) "*Ardié.*"—Practically settled satisfactorily, though no opportunity for testing it has presented itself.

(*f.*) *Insuffisance des Locaux de la Douane.*—The plans for increasing warehouse space as explained in the Report are ready; and it only remains for the Central Customs to transmit the form of contract for tenders to be invited. A credit of 32,000*l.* has been allotted for this purpose.

(*g.*) *Estimations.*—The obnoxious system of employing outside brokers to assist the "estimateurs" has been abolished.

(*h.*) *Analyses.*—The unsatisfactory arrangement by which the analyst was appointed and paid by the municipality has been abolished, and an apparently competent analyst appointed by the Central Administration with results which are so far satisfactory.

(*i.*) *Timbre.*—No modification as regards the application of the new Stamp Law to Customs papers appears to have been entertained; and it is presumed that nothing is contemplated in this direction.

The conclusions I would wish to draw from the above are that, though certain improvements have been effected and an increase of space promised, there still remains much to be done under several of the above headings before the Smyrna custom-house can be said to be in that state of efficiency which its importance calls for. At the same time it must be admitted that with all its faults and weaknesses, inherent in public offices in Turkey, the Smyrna custom-house is probably in a more satisfactory state than most custom-houses.

As to the power of the Director of Customs to "meet my wishes as regards reforms," I must state that, though imbued with the best intentions and concurring, as I believe, in all the suggestions recorded in the Consular Report of the 26th April, his powers are very limited; and unless he receives specific instructions on each point he is unable to make any radical change.

All the instructions he appears to have received when lately at Constantinople were verbal and in the most general terms, containing, however, special reference to the prevention of complaints on the score of delays in the withdrawal of goods—this with a view, no doubt, of inducing His Majesty's Embassy to accept the assurances of the Sublime Porte that real improvement has been effected in the Smyrna custom-house and that everything is working satisfactorily.

With the best will in the world, I cannot yet say that the Customs Administration have done all that I think they should and can do to justify the claims that are made on their behalf in this matter.

I have, &c.
(Signed) H. CUMBERBATCH.

Inclosure 16 in No. 112.

Reply to Inquiries respecting the Smyrna Custom-house.

THE Customs buildings are being whitewashed and repainted. The passengers' "salon," which is at a distance from the main custom-house, and where only passengers' luggage is examined on landing or embarking, is being enlarged at a cost of about 1,000*l.*

This will in no wise affect the main Customs business, but will effect a slight reduction of the confusion and bustle that takes place at the arrival or departure of passenger steamers.

No steps towards structural improvements or increase of space at the custom-house are visible.

2. Since April 1906 (date of last Report of Consular Corps) two "estimateurs," the two "mouhassibs," and one "sandouk emimi" therein recommended have been added to the personnel.

3. The newly-appointed Analyst, who arrived about two months ago at his post.

4. The instructions of the 27th January with regard to the hours of business are fairly well observed, and no complaints have been lodged on that score.

5. No case has been reported where "ardié" has been levied on goods detained at the custom-house through inability to deliver them owing to encumbrance of merchandize, but there is no reason to doubt that "ardié" under such circumstances would be waived in accordance with the instructions referred to.

6. No. The contents of every package are most minutely examined, unless a liberal "baksheesh" is forthcoming, when "facilities" are made.

7. No authorized weighing dues are levied, but unless the "kantardji" is privately remunerated operations are delayed.

This obnoxious but deep-rooted habit applies to almost every "formality" or "operation" at the custom-house, notwithstanding the assurances of the special Inspector, Aziz Bey, that the evil would be stopped.

8. Presuming that this question refers to the "hamal" staff, not to the question

of the "hamal" tariff, dealt with separately, the reply is in the affirmative, as the recommendation of the Consular Corps that it should be increased from 120 to 150 men during the busy season has been adopted for the time being.

(Signed) H. A. CUMBERBATCH.

Inclosure 17 in No. 112.

Consul-General Cumberbatch to Mr. G. Barclay.

(Telegraphic.) *Smyrna, December* 21, 1906.

IN reply to your telegram of to-day: Smyrna "hamalage."

Reduction of Tariff shown to be totally inadequate, in view of excessive receipts over expenditure leaving in the hands of Customs large balance, which ought rightly to be devoted wholly to porterage service.

Inclosure 18 in No. 112.

Consul-General Cumberbatch to Mr. G. Barclay.

(Telegraphic.) *Smyrna, December* 11, 1906.

YOUR telegram of yesterday: Customs formalities.

There has been no simplification of Customs formalities, and unless recommendations in Consular Report of the 26th April, under headings, "Elaboration of Administrative Measures," paragraph No. 1, and "Estimations," are introduced, no improvement can be recorded. My special Report with reference to porterage, in reply to your despatch of the 20th November, will show utter insufficiency of Tariff modifications.

Inclosure 19 in No. 112.

Consul-General Cumberbatch to Mr. G. Barclay.

Sir, *Smyrna, December* 21, 1906.

WITH reference to your despatch of the 20th ultimo, inclosing the Tables of Charges for Custom-house Porterage at the port of Smyrna, and asking for my opinion as to whether the amended Tariff is really as moderate as the Sublime Porte claim it to be, I have the honour to report as follows:—

Owing to the intricate nature of this subject I beg leave to preface my general reply by a few explanatory remarks.

The papers in Turkish inclosed in your despatch under reply consist of two sets, marked No. 1 and No. 2, and they are accompanied by a Memorandum in French explaining that No. 1 refers to the tariff of porterage charges on goods manipulated inside the custom-house and transplanted to places within a zone which is locally called the "tcharshi" rate, but which I will call "zone No. 1"; and No. 2 refers to the tariff of charges for places within a second zone, locally called "Frank Street rate," and which I will call "zone No. 2."

Set No. 1 is composed of four documents, which, for purposes of easy reference, I have taken the liberty to mark (A), (B), (C), and (D), and which I propose to deal with separately.

(A) consists of fifteen pages, and contains the tariff of charges applicable to all goods (alphabetically enumerated) imported into Smyrna and landed at the "edjnebi" (foreign section), if imported from foreign countries, and at the "dahilieh" (native section) if coming from another Turkish port.

The charges cover (*a*) porterage from custom-house to places within zone No. 1 (outdoor "hamallik"), and (*b*) handling of goods inside the custom-house premises (indoor "hamallik").

The inclosed form (Annex A)* will give an idea how this tariff is drawn up, in order to show the reduction effected in the old tariff.

* Not printed.

(B) is a Table made up of the various sums appearing under the column of "reductions effected" in the tariff under (A) thus:—

	Piastres.
Shovels at 30 paras per bundle	3,375
Figs at 20 paras per sack	500

But it is full of errors—*e.g.*, under "figs" they say 10,000 sacks at 20 paras, 500 piastres (?); and under "sugar" they say 143,229 bags at 30 paras, 1,350 piastres (?)

The total reductions are not summed up, but they amount to about 200,000 piastres, or £ T. 2,000.

(C) is the tariff of charges applicable to goods (*a*) conveyed from places in the town into the "dahilieh" custom-house for shipment, including handling inside the custom-house premises and loading into lighters. This tariff, however, appears to be incomplete, *e.g.*, it fixes the charges on bales of carpets up to 200 kilog. (30 paras per bale), but does not provide for bales weighing more than 200 kilog. No reductions are apparently contemplated in this tariff.

(D) is a copy of a Report drawn up by a Commission (instituted by the Customs Inspector, Aziz Bey, when at Smyrna last March) to which is annexed an incomplete list of goods with figures arranged somewhat in this form:—

Figs and raisins, per box, up to 20 kilog.	2 paras.
Liquorice, &c., per bale	20 ,,
Wool, per bale, up to 200 kilog.	30 ,,
,, ,, ,, 320 ,, ...	1 piastre.
Zinc buckets and iron shovels, per doz.	10 paras.

In the text of the Report three important suggestions are made:—

1. That goods not enumerated in the list should be assimilated to goods which they most closely resemble in nature, and charged accordingly.
2. That the limits of zone No. 2 should be defined more clearly.
3. That goods conveyed to places outside the said zones No. 1 and No. 2 should pay an additional charge equal to one-half the "outdoor" porterage presumably of zone No. 2.

Set No. 2 consists of one document which I have marked (E). This contains an exactly similar list of goods as given in Tariff (A), with, however, a slightly higher rate, and is applicable to places within zone No. 2, which, however, does not include the rest of the town. This last region is provided for by a foot-note to the effect that goods transported beyond the limits of zone No. 2 will be liable to an additional charge equal to one-half of the "outdoor" porterage rates for zone No. 2.

It is under this last provision, which is merely a continuation of the existing charges, that goods destined for the Aidin Railway Company, Ottoman Gas Company, and three important British ironworks (when not unloaded at the Aidin Railway pier) will be treated, and they constantly complain against what they consider an excessive charge and an unjust imposition.

Of the above documents, those marked (A) (tariff on imported goods), and (B) (Table of Reductions effected in (A)) are the ones which mostly concern us at the present moment.

The charges under Tariff (A) have been always considered by merchants not only as excessive but also as unjust.

As will be seen from the sample given above of this tariff, the charge levied by the custom-house under each item is practically made up of two distinct rates, one being for the "outdoor" porterage and one for "indoor" porterage.

In the Consular Report of the 26th April the vicious nature of the "outdoor" charges was explained and its abolition strongly urged.

On the assumption that it is useless to expect such a radical remedy (which would meet with general approval), I will now proceed to examine the proposed reductions as contained in the Table marked (B), translation of which is herewith inclosed (Annex B).*

An examination of this list alongside Tariff (A) and (E) shows that the "outdoor" charges have not been touched at all, and that all the modifications come under column of "indoor" charges.

Thirty-seven items out of a total of 158 are affected, and an annual reduction of £ T. 2,000 out of a total of over £ T. 15,000 is calculated upon.

* Not printed.

A careful examination of the Table of reductions, however, shows that the articles affected by the reductions are principally goods imported from other Turkish ports, very few European goods being included, British goods being especially unaffected. The benefits to direct European imports from these reductions will therefore be very small.

From information obtained in reliable quarters I calculate that the average yearly "hamallik" receipts under this tariff amount to over £ T. 15,000; of this sum the custom-house share is £ T. 10,000 (two-thirds), and that of the "hamal bashi" or representative of the outdoor "hamallik" monopoly holder £ T. 5,000 (one-third).

The expenses of the custom-house for maintaining their staff of hamals in the interior of the custom-house are estimated at £ T. 3,000 to £ T. 4,000, which means a profit of £ T. 6,000 to £ T. 7,000 per annum, and which they now reduce by £ T. 2,000, thus still having a handsome surplus of £ T. 4,000 to £ T. 5,000.

The "hamal bashi," out of the £ T. 5,000 paid to him, remits a lump sum of £ T. 2,000 (some say £ T. 3,000) to his principal at Constantinople, which leaves to himself the balance of £ T. 3,000 (or £ T. 2,000) to equip and maintain fifty carts and one or two dozen hamals for the outdoor porterage service. He retains from £ T. 150 to £ T. 200 for his own support, and the balance only goes towards the maintenance of the carts (and their equipment), which fall very short of the requirements of the trade and account for the general complaints against the outdoor "hamallik" service, not only on the score of excessive charges, but principally owing to the necessity of merchants having to provide their own carts or hamals if they wish to secure the prompt and safe carriage of their goods.

The reason for insisting in our identical Report of the 26th April on the abolition of this outdoor "hamallik" monopoly will now be more easily understood, but if, as I suppose, this cannot be done, I can only urge that pressure should be brought upon the favoured monopoly holder to be satisfied with £ T. 1,000 per annum and leave £ T. 4,000 for the efficient up-keep of the service for which he has assumed responsibility.

As to the custom-house itself, whose share of profits I showed was £ T. 4,000 to £ T. 5,000, I would strongly urge the demand for further material reduction of at least £ T, 2,000 on the indoor "hamallik" charges affecting purely European goods, and a revision of their table of reductions under review so that it should affect European goods to a much greater extent than it does as at present drawn up.

My suggestions are based on the assumption that His Majesty's Embassy share my opinion that these "hamallik" charges are specially intended to meet the expenses of the hamal service, and should not be diverted so as to go towards swelling the general customs revenues or towards filling the pockets of monopoly holders.

As regards document (C) (tariff for exported goods) I am not at present in a position to offer any opinion, as I have never had occasion to look closely into the working of this tariff, there never having been any complaint made against it.

The charges are entirely distinct from those coming under Tariff (A) and (E), and the service is carried out by a separate staff of hamals. For these reasons no reference has been made to it in the identic Reports of the Consular corps, and as no reductions in this tariff are apparently contemplated I see no reason for delaying my present report until I shall have had time to make the necessary investigations, without which I am unable to give an opinion.

The inclosures in your despatch under reply are returned herewith.

I have, &c.

(Signed) H. A. CUMBERBATCH.

Inclosure 20 in No. 112.

AIDE-MÉMOIRE résumant les propositions faites, en vue de l'État encore très peu satisfaisant des Douanes Ottomanes, au Gouvernement de Sa Majesté Britannique par M. le Chargé d'Affaires, relativement aux réformes douanières, pour servir de base aux conditions à poser en ce qui concerne la majoration des droits de Douane.

1. *Locaux Douaniers.*

(*a.*) Il serait à désirer, ou que des hangars suffisamment spacieux soient construits à la douane de Stamboul, comme mesure provisoire en attendant la construction des

nouvelles bâtisses permanentes, ou bien que l'accord à établir entre la Sublime Porte et la Société des Quais, relativement à la construction sans retard de ces nouvelles bâtisses permanentes, soit immédiatement effectué.

(*b.*) En attendant la construction des nouveaux dépôts à Salonique, il est nécessaire d'y établir des hangars provisoires, et de couvrir l'espace situé entre le premier et le second magasin.

(*c.*) Comme mesure provisoire en attendant la construction d'édifices permanents à Jaffa il faudrait couvrir l'espace devant la douane.

(*d.*) La Porte devrait s'engager à faire remplacer sans retard les trois anciennes grues existantes à Salonique par quatre grues à vapeur assez puissantes pour soulever chacune un poids de trois tonnes au minimum.

(*e.*) La Porte devrait s'engager à prendre dès à présent les dispositions nécessaires pour qu'on puisse procéder à la construction des nouveaux édifices douaniers à Stamboul, Galata, Smyrne, Beyrouth, et Salonique.

(*f.*) La Porte devrait s'engager à prendre des mesures sans retard pour l'installation des édifices douaniers à Basrah, pour la construction d'un quai, ainsi que pour le curage du canal qui passe devant les bureaux douaniers, afin de mettre les services douaniers plus en rapport avec le commerce très important de ce port.

(*g.*) La Porte devrait s'engager à faire prendre sans retard les dispositions nécessaires pour la construction de nouveaux magasins à Alexandrette pour y remplacer le débarcadère actuel par un quai d'une solidité et d'une longuer suffisantes aux besoins du commerce.

(*h.*) La Porte devrait s'engager à faire construire, sans retard, deux nouveaux dépôts douaniers à Mersine, et à renouveler l'estacade devant la douane.

(*i.*) La Porte devrait s'engager à munir sans retard la douane de Jaffa d'une grue pouvant soulever un poids d'au moins quatre tonnes, et de placer cette grue sur un point où les embarcations peuvent accoster même par une mar agitée.

(*j.*) La Porte devrait s'engager à faire prendre dès à présent les dispositions nécessaires en vue d'améliorer les locaux douaniers à Trébizonde et de munir cette douane d'un débarcadère où les mahones puissent accoster.

2. *Personnel Douanier.*

Il faudrait pourvoir aux augmentations du personnel dans les diverses douanes indiquées dans les paragraphes suivants :—

Il serait nécessaire d'augmenter le nombre des Araidjis (vérificateurs), des Moubassirs (enrégistreurs), des Mouhassibs (comptables), des Poussola, et Sened Mouharriris (écrivains des pièces de quittance). D'augmenter le nombre des Iskéllé Memouri (receveurs de marchandises) et d'ajouter un nombre suffisant de Véznédars (caissiers) au personnel actuel de la Caisse. Le personnel employé au bureau du "Eshiyai Ainié" (perception des droits en nature) doit être augmenté de quelques Mémours (percepteurs), Kiatiba (commis), et au moins de dix portefaix permanents.

Beyrouth.—Quoiqu'une augmentation ait été faite dans les ordres inférieurs du personnel, il y a manque d'Araidjis, Moubassirs, et Mouhassibs.

Salonique.—Une augmentation sérieuse est nécessaire dans cette douane, afin de pouvoir faire face aux opérations toujours croissantes de ce port important.

Basrah.—Aucune augmentation n'a été faite, et il est à espérer que l'Administration veillera à pourvoir cette douane du personnel qui lui est nécessaire.

Alexandrette.—D'après des renseignements reçus, il y aurait toute utilité d'ajouter un certain nombre d'employés au personnel actuel.

Mersine.—Ici on pourrait avantageusement nommer encore un Estimator-Moavini (Estimateur Adjoint).

Trébizonde.—Le poste d'Estimator est vacant depuis assez longtemps, et il serait de toute nécessité de pourvoir à son remplacement.

3. *Hamalage.*

Constantinople (a).—Il résulte du "Règlement sur le Hamalage" annexé à la note verbale de la Sublime Porte en date du 8 Novembre, 1906, que les "hamals" ne se trouvent nullement sous le contrôle de l'Administration Douanière.

Le Gouvernement de Sa Majesté Britannique ne saurait donner son consentement à la majoration des droits de douane de 3 pour cent avant d'être satisfait que les

"hamals" ont été mis sous le contrôle effectif de l'Administration, et que cette Administration prend sur elle pleine et entière responsabilité pour tout dommage ou retard dont les "hamals" auraient été cause.

(*b.*) On devrait créer à la Douane un Bureau Spécial, auquel serait effectué tout paiement à titre de "hamalage," au taux établi par le Tarif et contre reçu.

(*c.*) Des dommages fréquents résultant de l'emploi par les "hamals" de crochets pointus, il devrait leur être strictement défendu de s'en servir.

(*d.*) Pour le transport de leurs marchandises de la douane dans leurs magasins, les négociants devraient être libre de se servir de leurs propres chariots.

Dans ce cas les "hamals" ne devraient percevoir qu'un seul droit de chargement, équivalent au minimum des droits fixés par l'Article 2 du Tarif.

(*e.*) La limite de la première zone est fixée par Article 2 du dit Tarif comme étant "le local de la Banque Impériale Ottomane." Il devrait être bien entendu que l'endroit visé par cet Article est l'ancien local de la Banque.

(*f.*) Le Tarif n'indique pas le poids que comporte une "charge de sirik." Cette lacune devrait être comblée.

(*g.*) Provision devrait également être faite dans le Tarif pour les droits à percevoir sur les marchandises transportées au moyen de camions.

(*h.*) Le Tarif n'établit aucun taux de transport pour les objets de grand poids, comme les caisses fortes. Il faudrait établir une somme fixe à raison de 100 kilog.

(*i.*) *Smyrne.*—Les réductions apportées au Tarif du "hamalage" de Smyrne ne montent qu'à £ T. 2,000 à peu près, et ne sont pas suffisantes. Elles ne concernent d'ailleurs que presque exclusivement les produits du pays. Il faudrait y introduire une réduction de £ T. 3,000 encore, dont bénéficieraient les marchandises de provenance étrangères.

(*j.*) En ce qui concerne le transport des marchandises de la douane jusqu'à leurs magasins, les négociants doivent être entièrement libres de se servir des moyens qui leur conviennent le mieux, sans qu'ils soient tenus à s'acquitter envers les "hamals" de quelque paiement que ce soit, sauf pour les services qu'ils leur auraient effectivement rendus.

4. *Heures de Travail.*

A Constantinople même les instructions relatives aux heures de travail ne sont pas entièrement suivies, et dans quelques-unes des douanes provinciales il n'existent aucunes heures de service fixes. Il faudrait prendre les mesures nécessaires pour assurer la stricte application du Règlement.

5. *Droit d'Ardié.*

(*a.*) Quoique la question de l'"ardié" ait été partiellement résolue, il a été constaté que, malgré les instructions données à ce sujet par la Circulaire de l'Administration en date du 14 (27) Janvier, 1906, le droit d'"ardié" continue à être perçu à la douane des spiritueux à Constantinople sur les marchandises débarquées sur les quais qui ne sont pas emmagasinées dans les dépôts douaniers. Aux protestations qui lui ont été adressées contre l'imposition de cette taxe, le Directeur ("Nazir") de cette douane répond que la perception de l'"ardié" se fait conformément aux instructions qu'il a reçues de l'Administration Centrale, et qu'il ignore les nouvelles dispositions prises à ce sujet.

(*b.*) Les droits d'"ardié" continuent à être perçus à Salonique, même pour les jours fériés.

Il y a lieu d'adresser une Circulaire à toutes les douanes leur ordonnant catégoriquement de faire cesser ces abus.

(*c.*) Le droit d'"ardié" continue à être demandé aux intéressés sur les marchandises séjournant dans les douanes, quand le retard est dû à l'impossibilité, vu l'état actuel des services douaniers, d'accomplir toutes les formalités et de retirer les marchandises dans les huit jours réglementaires.

Des mesures promptes et efficaces devraient être prises en vue de mettre fin à cet abus.

6. *Opérations Douanières.*

(*a*) Parmi les opérations douanières, il faut tout spécialement citer le traitement qui est accordé aux chargements de charbon de terre qui sont importés dans les

différents ports de l'Empire. Il faut que la Sublime Porte admette formellement le principe de la franchise de tous droits de douane des quantités de charbon de terre livrées des dépôts aux bateaux à vapeur de passage dans un port Ottoman pour l'alimentation de leurs soutes.

(*b.*) *Arrimage dans ces Dépôts.*—Quoique les dépôts douaniers ne puissent nullement suffire aux exigences du commerce, les espaces dans ces dépôts pourraient, cependant, être mieux utilisés, si un système intelligent et rationnel d'arrimage des marchandises était adopté. A l'heure qu'il est, les portefaix chargés du transport et de l'emmagasinage des marchandises ignorent absolument la façon d'estiver ces marchandises et ne peuvent reconnaître les colis de même marque formant les lots Les dépôts se trouvent donc encombrés avec un nombre restreint de colis bien inférieur à leur contenance réelle, et les colis sont entassés les uns sur les autres sans ordre, et ceux d'une seule marque appartenant à un lot sont très souvent éparpillés partout dans ces dépôts. Ce désordre produit naturellement des difficultés quand il s'agit de trouver un lot, amène des retards dans la livraison des marchandises réclamées par les commerçants, et empêche conséquemment l'entrée des nouveaux arrivages dans les dépôts.

Le bon fonctionnement des services d'entreposage étant une des conditions essentielles pour la livraison rapide des marchandises dans des salles de vérification, il est nécessaire qu'un système d'estivage bien défini soit introduit, et que le personnel employé dans ce service soit à la hauteur de cette tâche, bien entendu sous un contrôle aussi intelligent qu'efficace.

(*c.*) *Constantinople.—Salles de Vérification.*—L'une des principales causes qui apporte des retards injustifiés dans l'évacuation des marchandises de la douane et dans leur livraison aux propriétaires se trouve aussi dans l'insuffisance des salles de vérification. Comme dans le cas des dépôts, les espaces dans les édifices douaniers consacrés spécialement à la vérification des marchandises, soit à Stamboul, soit à Galata, sont excessivement restreints et ne répondent nullement aux besoins administratifs et commerciaux.

Par suite du désordre qui règne dans le service des dépôts, la livraison des colis de ces dépôts aux salles de vérification se fait péniblement et avec lenteur. Les opérations de vérification même, entourées, comme elles le sont aujourd'hui, d'une foule de formalités, se font avec difficulté et s'éternisent, et les salles s'encombrent de colis et caisses à tel point que la circulation devient souvent difficile. Il est incontestable que la vérification des marchandises, qui est une des opérations douanières importantes, doit se faire avec toute la célérité voulue, et rien ne devrait interrompre ou entraver la marche régulière de ce service. Pour pouvoir porter remède à cet état déplorable il faudrait agrandir les salles de vérification et augmenter le nombre de vérificateurs (Araidjis) et de commis (Moubassirs).

(*d.*) *Estimation de la Valeur.*—Passant à un autre service, qui, par sa marche défectueuse, apporte aussi des retards dans l'accomplissement des formalités, il faut signaler la lenteur avec laquelle on arrive à déterminer l'estimation de la valeur des marchandises. L'estimation de la valeur de chaque catégorie de marchandises se fait par les "estimators," et ces valeurs sont inscrites, article par article, en chiffres et en toutes lettres, dans les registres tenus par les commis du vérificateur (Moubassir defteri). Ce long travail une fois terminé, le registre est soumis au Directeur de la Douane (Nazir) pour qu'il fasse le contrôle des estimations. L'examen et le contrôle d'un nombre considérable de ces registres par un seul fonctionnaire, malgré l'activité et bonne volonté dont celui-ci ferait preuve, sans faire allusion aux connaissances aussi vastes qu'exactes qu'il doit posséder dans la matière, prendra nécessairement un temps considérable, et sera toujours la cause de retards inévitables. Or, il semble démontré que la régularité du service et la rapidité de ce contrôle ne peuvent, non plus, dépendre de l'activité d'un seul fonctionnaire, qui est, d'ailleurs, chargé d'autres attributions aussi nombreuses qu'importantes.

Il faudrait nommer un certain nombre d'adjoints au Directeur pour l'aider dans l'examen et le contrôle des susdits registres.

(*e.*) *Caisse.*—Le bureau de perception (Vezné) à la douane de Stamboul est très mal situé pour un des bureaux les plus fréquentés de l'Administration. Il se trouve au fond d'une galerie dont la plus grande partie est occupée par la comptabilité. Le bureau est mal éclairé et n'a de place que pour un nombre très restreint d'employés, et est sur tous les rapports absolument insuffisant aux besoins de ce service très important. Les contribuables s'entassent devant le petit guichet de ce bureau, et dans le vestibule attendent des heures entières avant qu'ils ne puissent faire le paiement de leurs droits. Il importe que ce bureau soit placé dans un endroit

plus spacieux et central, et qu'un nombre suffisant de caissiers (Veznédars) soit ajouté au personnel actuel afin qu'il soit à même d'accomplir, sans retard, les devoirs qui lui sont dévolus.

(*f.*) *Fixation du Taux des Monnaies étrangères pour le Calcul des Estimations.*—Un des abus de plus flagrants qui se pratiquent dans les douanes se trouve dans les taux exagérés fixés pour les calculs de la conversion des monnaies étrangères en monnaie Turque, lorsqu'il s'agit de l'estimations de la valeur d'une marchandise. Il appert que les taux adoptés sont les suivants :—

La £ sterling	132	piastres or.
Le marc	6·75	„
Le franc..	5·10	„

Les taux fixés pour ces monnaies sont en général de 12 à 15 pour cent, et même de 20 pour cent, en sus de leur valeur officielle et rien ne le justifie.

Pour en donner un exemple :—

Des marchandises évaluées par la douane à 100 £ sterling sont taxées :—

100 £ sterling, à 132 piastres or	13,200 piastres.
Droits de douane, à 8 pour cent moins le 10 pour cent	950 „
tandis que la valeur de 100 £ sterling, à 110 piastres or, est ..	11,000 piastres or.
et le droit de douane est	792 piastres.

Ce taux exagéré est encore susceptible d'augmentations assez fortes lorsqu'il s'agit de l'estimation de la valeur des articles de luxe et de fantaisie, et l'élasticité donnée à cette procédure ne peut induire qu'à croire qu'elle a été adoptée dans le but d'obliger les commerçants de payer la taxe douanière en nature sur ces articles. Il faudrait mettre fin une fois pour toutes à un système si peu justifiable et fixer le taux de la conversion des monnaies étrangères en rapport avec leur valeur réelle en monnaie du pays.

(*g.*) Les formalités se rattachant au dédouanement des marchandises sont partout démesurément nombreuses, dépassant le chiffre de vingt. La Porte devrait s'engager à en réduire le nombre.

(*h.*) Des ordres sévères et catégoriques devraient être donnés pour que seulement un nombre limité de boîtes hermétiquement fermées ou de bouteilles dans un lot soit ouvert ; et dans le cas où le nombre des boîtes ou des bouteilles ouvertes atteindra 1 pour cent de la totalité du lot, la douane serait obligée d'accepter les boîtes ou bouteilles ainsi ouvertes en paiement des droits en nature.

(*i.*) Les formalités se rattachant au dédouanement des colis postaux sont démesurément longues et coûteuses.

Il faudrait s'aviser à des mesures aptes à les accélérer et à en diminuer les frais.

7. *Droits de Pesage.*

Des dispositions devraient être prises pour que les marchandises qui doivent être pesées soient pesées au moment même où elles entrent en magasin, et cela sans les grever d'aucun frais.

8. *Aucune solution satisfaisante n'a été encore donnée à la Question des Échantillons des Commis Voyageurs.*

Cette lacune devrait donc être comblée et communication faite à l'Ambassade des dispositions prises à cet égard.

(Translation.)

MEMORANDUM summarizing the proposals made in view of the very unsatisfactory condition of the Ottoman custom-houses to His Britannic Majesty's Government by the Chargé d'Affaires, relative to customs reforms, to serve as a basis for conditions to be laid down in connection with the increase of the customs duty.

1. *Custom-house Premises.*

(*a.*) It would be desirable either to erect sufficiently large sheds at the Stamboul custom-house as a temporary measure pending the construction of the new permanent buildings, or to give immediate effect to the agreement between the Sublime Porte and

the Quay Company, relative to the construction of these new permanent buildings without delay.

(*b.*) Pending the construction of new depôts at Salonica, temporary sheds should be built there, and the space between the first and second warehouse should be roofed in.

(*c.*) As a temporary measure, pending the construction of permanent buildings at Jaffa, the space in front of the custom-house should be roofed in.

(*d.*) The Porte should promise to replace without delay the three old cranes now in use at Salonica by four steam cranes, each strong enough to raise a weight of at least 3 tons.

(*e.*) The Porte should promise to take at once the necessary steps to enable the construction of new custom-houses to be begun at Stamboul, Galata, Smyrna, Beirut, and Salonica.

(*f.*) The Porte should promise to take measures without delay to establish Customs buildings at Bussorah, to build a quay, and to dredge the canal which passes in front of the Customs offices in order to render the Customs service better fitted to the very important trade of that port.

(*g.*) The Porte should promise to cause measures to be taken without delay for the construction of new warehouses at Alexandretta, so as to replace the present landing-stage by a quay strong and long enough to meet the requirements of trade.

(*h.*) The Porte should promise to erect, without delay, two new Customs store-houses at Mersina, and to put up a fresh fence in front of the custom-house.

(*i.*) The Porte should pledge itself to provide the custom-house at Jaffa, without delay, with a crane sufficiently strong to raise a weight of at least 4 tons, and to place it where boats can come alongside it even when the sea is rough.

(*j.*) The Porte should promise to cause at once the necessary steps to be taken to improve the custom-house premises at Trebizond, and to supply that custom-house with a landing-stage where lighters can come alongside.

2. *Custom-house Staff.*

Provision should be made for increasing the staff in the different custom-houses named in the following paragraphs:—

It would be necessary to increase the number of Araijis (examiners), Mubassir- (registrars), Muhassibs (accountants), Pussola and Sened Muharriris (writers of receipts). To increase the number of Iskele Memuri (receivers of goods) and add a sufficient number of Veznedars (cashiers) to the present staff of the financial departs ment. The staff employed at the office of the "Eshiyai Ainié" (collection of duties in kind) should be increased by some Memurs (collectors), Kiatibs (clerks), and at least ten permanent porters.

Beirut.—Although the lower grades of the staff have been increased, there is a lack of Araijis, Mubassirs, and Muhassibs.

Salonica.—A large increase is necessary at this custom-house in order to cope with the continually increasing work at this important port.

Bussorah.—No increase has taken place, and it is to be hoped that the Administration will be careful to provide this custom-house with the staff which it needs

Alexandretta.—According to information received, it would be most useful to add a certain number of employés to the present staff.

Mersina.—Here another Estimator-Moavini (assistant appraiser) might be appointed with advantage.

Trebizond.—The post of Estimator has been vacant for some time, and it is most necessary to fill it.

3. *Porterage.*

Constantinople (*a*).—It appears from the "Porterage Regulations" inclosed in the Sublime Porte's *note verbale* of the 8th November, 1906, that the "hamals" are in no way controlled by the Customs Administration.

The Government of His Britannic Majesty cannot give its consent to the 3 per cent. Customs increase until it is satisfied that the "hamals" have been placed under the effective control of the Administration, and that the Administration should assume full and entire responsibility for all loss or delay caused by the "hamals."

(*b.*) A special Bureau should be instituted at the Customs, where all payments on

account of porterage should be made, at the rate fixed by the Tariff and on receiving a receipt.

(*c.*) Frequent losses result from the use by the "hamals" of pointed hooks, and they should be strictly forbidden to employ them.

(*d.*) Merchants should be free to use their own waggons to transport their goods from the custom-house to their warehouses.

In that case the "hamals" should only charge a loading due equal to the minimum due fixed by Article 2 of the Tariff.

(*e.*) The limit of the first zone is fixed by Article 2 of the Tariff as "the premises of the Imperial Ottoman Bank." It should be clearly understood that the spot meant by this Article is the former premises of the bank.

(*f.*) The Tariff does not state what weight is meant by a "Sirik load." This omission should be supplied.

(*g.*) Provision should also be made in the Tariff for the dues to be charged on goods transported on drays.

(*h.*) The Tariff fixes no rate for the transport of very heavy articles, such as safes. A regular sum per 100 kilog. should be fixed.

(*i.*) *Smyrna.*—The reductions made in the porterage tariff at Smyrna only amount to about £T. 2,000, and are not sufficient. Besides, they practically only affect the productions of the country. A further reduction of £T. 3,000 should be made, which would benefit goods coming from abroad.

(*j.*) In regard to the transport of goods from the Customs to their warehouses, traders should be allowed to use the means which suit them best, without being obliged to make any payment whatever to the "hamals," except for services satisfactorily performed by the latter.

4. *Hours of Work.*

Even at Constantinople the instructions relative to hours of work are not strictly followed, and in some of the provincial custom-houses there are no fixed office hours at all. The necessary measures should be taken to insure the strict application of the Regulations.

5. "*Ardié Dues.*"

(*a.*) Although the question of the "ardie" has been partially settled, it has been established that, in spite of the instructions given on this subject by the Circular of the Administration of the 14th (27th) January, 1906, the "ardié" due is still charged at the spirituous liquors custom-house at Constantinople on goods discharged on the quays which are not stored in the Customs storehouses. The Director ("Nazir") of the custom-house has replied to the protests addressed to him against the imposition of this tax that the collection of the "ardié" takes place in conformity with the instructions which he has received from the Central Administration, and that he is not aware of the new instructions issued on the subject.

(*b.*) "Ardié" dues are still charged at Salonica, even on holidays.

A Circular should be addressed to all the custom-houses, giving them categorical instructions to put an end to this abuse.

(*c.*) "Ardié" dues are still demanded from the interested parties on goods which are left in the custom-houses when the delay is due to the impossibility in the present state of the Customs service of carrying out all the formalities, and of removing the goods within the regulation eight days.

Prompt and effective measures should be taken to put an end to this abuse.

6. *Customs Operatons.*

(*a.*) Among Customs operations the treatment meted out to shipments of coal imported into different ports of the Empire should be specially mentioned. The Sublime Porte must formally accept the principle of the exemption from all customs duties of coal delivered by the depôts to steamers of passage at an Ottoman port for the use of the vessel.

(*b.*) *Storage in the Storehouses.*—Although the Customs storehouses by no means suffice for the needs of trade, the space in them might be used to greater advantage if

an intelligent and rational system of storage were adopted. At present the porters to whom the transport is intrusted have no idea of how to compress these goods, and are unable to recognize pieces with the same marks belonging to the same consignment. The storehouses are thus encumbered with a limited number of pieces, much smaller than that which they are capable of containing, and the pieces are piled in disorder one upon another, those belonging to the same consignment being often scattered all over the storehouses. This disorder is naturally the cause of difficulties when a consignment has to be found; it occasions delay in the delivery of goods claimed by merchants, and consequently prevents new shipments from being dealt with.

The smooth working of the warehousing service being an essential condition of the prompt delivery of goods in the examining rooms, a well-arranged system of compression should be introduced, and the staff employed on this work should be capable of performing it properly, of course, under intelligent and effective direction.

(*c.*) *Constantinople.—Examining Rooms.*—One of the chief causes of unnecessary delay in the clearing of goods from the custom-house and their delivery to their owners is to be found also in the inadequacy of the examining rooms. As in the storehouses, the space in the custom-house buildings devoted to the examination of goods, both at Stamboul and at Galata, is excessively scanty, and by no means sufficient for administrative and commercial necessities.

In consequence of the disorder which prevails in the storehouse service, the removal of goods from the storehouses to the examining rooms takes place slowly and with difficulty. Even the work of examination, obstructed, as it now is, with numerous formalities, is difficult and exceedingly slow, and the rooms are crowded with goods and cases to such an extent that it is often difficult to move in them. It cannot be denied that the examination of goods, which is an important Customs operation, should take place with all desirable speed, and nothing should interrupt or impede the regular course of this work. To remedy this deplorable state of things, the examining rooms should be enlarged, and the number of examiners (Araijis) and clerks (Mubassirs) increased.

(*d.*) *Appraisement.*—Passing to another branch which, by its defective operation, also causes delay in the discharge of formalities, slowness in the appraisement of goods must be mentioned. The valuation of each class of goods is performed by the "Estimators," and the values are entered, article by article, in figures and in letters, in the registers kept by the valuer's clerk (Mubassir defteri). When this long work is finished, the register is submitted to the Director of the Customs (Nazir), so that he may verify the valuations. The examination and verification of a considerable number of these registers by one official, in spite of the activity and diligence which he may display, not to mention the wide and accurate knowledge of the subject which he must possess, must necessarily take a good time, and will always be the cause of inevitable delay. It seems, therefore, clear that the regularity of this work and the speed of the verification cannot depend upon the activity of a single official, who has, besides, a number of other important duties.

A certain number of assistant Directors should be appointed to help in the examination and verification of these registers.

(*e.*) *Financial Department.*—The collector's office (Vezné) at the Stamboul custom-house is very ill-placed for one of the most crowded offices of the Administration. It is at the end of a passage, the greater part of which is occupied by the accountant's department. The office is badly lighted, only has room for a very limited number of clerks, and is in all respects quite insufficient for the needs of a very important branch. The people who have to pay are crowded in front of the little window of the office, and wait for hours in the ante-room before they can pay their duties. This office must be placed in a more spacious and central position, and a sufficient number of cashiers (Veznedars) must be added to the present staff to enable it to accomplish, without delay, the duties which it has to perform.

(*f.*) *Fixing of the Rate of Exchange of Foreign Currencies for Valuation Purposes.*—One of the most flagrant abuses practised in the custom-houses consists in the extravagant rates fixed for the calculation of the exchange from foreign currencies into Turkish money when goods are to be valued. The rates adopted are shown to be as follows:—

£ sterling	132	piastres	gold
Mark	6·75	„	„
Franc	5·10	„	„

The rates fixed for these coins are generally from 12 to 15 per cent., and even 20 per cent., above their official value, and are unjustifiable.

For example:

Goods valued by the Customs at 100*l.* are made to pay duty:—

£100 at 132 piastres gold	13,200	piastres
Customs duty at 8 per cent. less the 10 per cent.	950	,,
whereas the value of 100*l.* and 110 piastres gold is	11,000	,,
and the customs duty is	792	,,

This extravagent rate can yet be even considerably increased in case of the valuation of articles of luxury or fancy goods, and the elasticity with which this process is invested cannot but lead to the conclusion that it has been adopted to force traders to pay customs duties on articles in kind. So unjustifiable a system should be at once put an end to, and the rate of exchange of foreign currencies should be proportioned to their real value in the money of the country.

(*g.*) The formalities incidental to the clearing of goods are disproportionately numerous, amounting to more than twenty. The Porte should pledge itself to reduce their number.

(*h.*) Strict and categorical orders should be given that only a limited number of hermetically sealed boxes or bottles in a consignment should be opened; and if the number of boxes or bottles opened amounts to 1 per cent. of the total of the consignment, the Customs should be obliged to accept the boxes or bottles thus opened as payment in kind.

(*i.*) The formalities incidental to the clearing of postal packets are disproportionately long and costly.

Measures should be devised to expedite them and diminish their cost.

7. *Weighing dues.*

Steps should be taken to have goods to be weighed dealt with at the moment of their arrival in the warehouse and without expense.

8. *No satisfactory solution of the question of Commercial Travellers' Samples has yet been arrived at.*

This omission should be supplied, and the steps taken in the matter should be communicated to the Embassy.

Inclosure 21 in No. 112.

Identic Report respecting Smyrna Customs.

LE Corps Consulaire avait adressé, l'an passé, à MM. les Chefs des Missions Diplomatiques un Rapport Identique dans lequel il avait énuméré les améliorations qui avaient été apportées au fonctionnement des services douaniers dans notre port.

L'envoi à Smyrne d'un Inspecteur de l'Administration des Douanes a fourni au Corps Consulaire l'occasion de se réunir dernièrement et d'étudier la situation actuelle des services douaniers.

Aussi, le Corps Consulaire, reprenant le travail qu'il avait soumis le 20 Mars, 1905, aux Missions Diplomatiques, vient-il d'examiner, point par point, les différentes propositions présentées par lui pour pouvoir préciser les changements déjà apportés aux divers services, et ceux qui, déjà recommandés par l'Inspecteur Aziz Bey, sont susceptibles d'une application immédiate.

C'est, donc, dans l'ordre suivi dans le précédent Rapport que le Corps Consulaire va soumettre à MM. les Chefs des Missions Diplomatiques le résultat de ses recherches et de son travail commun.

Personnel.

L'Inspecteur Aziz Bey a déclaré qu'il avait recommandé à son Administration de consentir à une augmentation générale du nombre des employés dans la proportion de 1 pour 4 en même temps qu'à une augmentation très sensible de leur traitement.

L'intention est louable et il est à souhaiter que cette proposition trouve un accueil favorable auprès de l'Administration Centrale.

1. En ce qui concerne les Estimateurs aucun changement n'a été effectué depuis l'an passé. L'Inspecteur, cependant, a déclaré avoir recommandé une augmentation de deux Estimateurs. Le Corps Consulaire s'était borné, par discrétion, à ne réclamer qu'une augmentation d'un seul. Il n'a, donc, qu'à se rallier à la proposition de l'Inspecteur.

2. Il en est de même pour les "Mouhassib." Rien n'a encore été fait, mais l'Inspecteur, dépassant les propositions du Corps Consulaire, qui s'était contenté de solliciter la nomination d'un "Mouhassib" supplémentaire, prétend avoir recommandé la désignation de deux de ces fonctionnaires.

3. La nomination d'un second "Sandouk Emini" réclamée par le Corps Consulaire est chose déjà faite depuis six mois.

En résumé, l'augmentation du personnel a consisté simplement, depuis un an, dans la nomination d'un second caissier. Nous sommes maintenant en présence de propositions faites par l'Inspecteur consistant, en dehors de l'augmentation générale qu'il suggère pour tous les services douaniers, dans la désignation immédiate de deux Estimateurs et de deux "Mouhassib."

Ces propositions de l'Inspecteur méritent l'appui de MM. les Chefs de Missions.

Hamalik.

(Voir également le Rapport spécial du Corps Consulaire en date du 20 Mars, 1905.)

Le nombre des hamals de première classe a été porté à 120, non compris les "onbachis" qui sont au nombre de 10 à 15.

Ce corps de hamals doit être maintenu à ce chiffre en tout temps. Pouvoir, assure l'Inspecteur, a été donné au Nazir de l'augmenter provisoirement en cas de besoin.

Les hamals de seconde classe ont été supprimés.

On a maintenu les hamals de seconde classe qui travaillent en dehors de la douane, et un tarif a été élaboré pour régulariser les droits à payer pour les colis transportés en dehors des deux zones pour lesquelles un tarif fixe existait précédemment.

Il importe de signaler que pour l'élaboration de ce nouveau tarif on a constitué une commission locale aux travaux de laquelle les négociants étrangers n'ont pris aucune part.

Les membres qui ont été désignés n'ont reçu de mandat ni des consuls, ni des commerçants Européens, ni des négociants indigènes.

Il importe donc que les Missions Diplomatiques soient au courant de ce procédé et sachent ce qu'elles devraient penser au cas où l'Administration des Douanes prétendrait un jour que les tarifs du Hamalik ont été discutés par le commerce Smyrniote et acceptés par lui.

D'ailleurs, la question du Hamalik, qui a motivé et motive les plaintes du commerce étranger et ses protestations contre le régime actuel, ne consiste pas en une simple question de tarif, mais bien en l'existence d'un monopole odieux pesant lourdement sur le commerce étranger, et cela au profit presque exclusif d'un simple particulier.

Le Corps Consulaire a exposé en détail à MM. les Chefs des Missions Diplomatiques que les commerçants étrangers devaient, pour retirer leurs colis de la douane, passer par toutes les exigences et les caprices arbitraires d'un soi-disant fermier du Hamalik contre lequel les autorités douanières et le Vali lui-même sont impuissants, car il est l'agent et le représentant d'un haut fonctionnaire, jouissant du plus grand crédit.

En dehors du tarif élevé qui leur est imposé pour le transport de leurs colis, ils doivent se soumettre au payement de tous les "bakchiches" qui leur sont réclamés, s'ils ne veulent pas rester dans l'impossibilité de retirer leurs colis de la douane et de les faire transporter chez eux.

Le Hamil-Bachi est un fonctionnaire qui règne en maître à la Douane de Smyrne et devant lequel les plus hauts fonctionnaires tremblent.

Or, ce revenu du Hamalik est beaucoup plus important qu'on pourrait le supposer. A en juger par le nombre de colis reçus à Smyrne ou expédiés de notre port, on peut l'évaluer approximativement à £T. 14,000.

Sur cette somme énorme, les hamals ne perçoivent qu'un salaire dérisoire, l'Administration des Douanes n'en perçoit même pas la moitié, le reste va au concessionnaire.

C'est donc une taxe de £ T. 6,000 environ prélevée sur le commerce étranger, qui ne profite ni au Trésor public, ni à l'amélioration des services douaniers, ni au bien-être public, et qui va simplement enrichir un personnage en faveur.

Ce monopole est donc odieux et immoral et l'on comprend parfaitement que tous les commerçants étrangers en réclament instamment la suppression.

Le transport des colis en dehors de la douane devrait être absolument libre. Une fois les colis conduits à la porte de la douane par les hamals de l'Administration, le négociant devrait être libre de les faire transporter chez lui par ses propres moyens.

Rien n'empêcherait d'ailleurs l'Administration des Douanes d'entretenir un corps de hamals qui travaillerait sous son contrôle et qui lui permettrait de s'assurer un bénéfice peut-être plus sérieux que celui qui lui est réservé actuellement. Si le tarif présenté au commerce était raisonnable, il est probable que la grande majorité des négociants auraient intérêt à se servir de hamals connus, placés sous le contrôle de l'Administration des Douanes et recrutés par elle.

Mais le principe de la liberté des transports devrait être établi, car seul il peut faire disparaître le régime du monopole et en empêcher le rétablissement éventuel.

Matériel.

Le Corps Consulaire avait demandé l'installation de trois grues pour faciliter les opérations de déchargement et de chargement des mahonnes.

Les ordres viennent d'être donnés pour l'achat de deux grues, qui seront placées sur rail. Pouvant dès lors être déplacées plus facilement, ces deux grues peuvent être considérées comme suffisantes pour le moment.

Il y aura lieu de prévoir l'achat d'une nouvelle grue après l'achèvement du môle dont la création est annoncée et dont nous parlerons sous la rubrique "Insuffisance des locaux de la douane."

Mesures Administratives.

1. Les négociants de la ville de Smyrne ont remis à l'Inspecteur Aziz Bey un long mémoire concernant les réformes qui devraient être apportées dans les opérations douanières.

La Commission Consulaire a examiné avec attention ce travail trop long pour pouvoir être reproduit dans cette note.

Elle se bornera, donc, à indiquer qu'à côté d'un exposé sérieux des griefs du commerce il contient l'indication de plusieurs moyens pratiques qui devraient être employés pour mettre un terme aux innombrables et inutiles formalités imposées pour le retrait, le transit, ou la réexpédition des marchandises.

Un point de détail que la Commission Consulaire n'a pu s'empêcher de relever, non sans étonnement, est l'énumération des différents bureaux ou sections auxquels on doit s'adresser pour accomplir les formalités douanières.

Le fait est si peu vraisemblable que la Commission Consulaire croit devoir reproduire cette énumération instructive pour ceux qui s'occupent de l'amélioration des services douaniers en Turquie.

L'employé chargé de retirer un colis doit, donc, se présenter dans tous les bureaux suivants:—

(1) Bureau du Manifeste; (2) Secrétaire du Dépôt; (3) Secrétaire en Chef (Bach-Kiatib); (4) Examinateur (Araïdji); (5) Comptable (Mubassir); (6) Kantardji (Peseur); (7) Sirikdji (qui note le poids des colis); (8) Kissirdji (qui ouvre les caisses); (9) Replaceur (qui ôte les marchandises des caisses et les y remet); (10) Estimateur; (11) Employé de la Section en Nature; (12) Secrétaire des Transports; (13) Caisse et Registres de Caisse; (14) Employé délivrant les Bons à Sortir pour le Portier; (15) Secrétaire pour les Reçus de l'Argent versé; (16) Secrétaire pour le Règlement des Droits de Quai; (17) Comptabilité des Contrôles; (18) Bureau des Portiers; (19) Kapoudji (portier en chef); (29) Hamal-Bachi; (21) Nazir ou Mudir.

Il paraît que l'énumération n'est pas encore complète.

Mais en dehors de cette complication étrange, qui suffirait, à elle seule, pour faire comprendre les vices de l'organisation douanière en Turquie et la nécessité qui s'impose de simplifier d'une façon radicale tous les rouages de cette administration, il existe un

autre abus contre lequel le commerce proteste avec véhémence et qui mérite de fixer l'attention de MM. les Chefs de Missions.

Tous les jours des règlements nouveaux, comportant, la plupart du temps, des prohibitions sévères, sont mis en application sans, d'ailleurs, que le moindre avis préalable en ait été donné au commerce, et sans qu'on ait eu même la précaution de les afficher dans une salle publique, afin que les négociants puissent en prendre connaissance.

Dans l'application de ces règlements, les autorités douanières apportent une rigueur non seulement excessive mais encore inintelligente.

S'il ne s'agissait encore que de tracasseries provenant du fait de petits employés contre lesquels un recours utile pourrait être exercé auprès des autorités supérieures de la Douane, le mal serait facilement réparable.

Malheureusement, le Corps Consulaire doit constater que, malgré tous les efforts qui ont été tentés pour faire comprendre au Nazir que ces arrêts continuels de marchandises, que leur envoi à Constantinople ou leur séquestration jusqu'à l'arrivée d'instructions de l'Administration Centrale apportaient un trouble profond aux opérations commerciales et causaient de grosses pertes matérielles, rien n'a pu le décider à prendre sur place des décisions immédiates et l'empêcher de tout transmettre à Constantinople même pour les affaires les plus simples.

Est-ce manque d'autorité? Est-ce manque d'initiative de sa part? Les règlements douaniers sont-ils assez confus pour qu'ils ne puissent guider et éclairer les Nazirs installés en province? Sont-ils si rigoureux que, pour éviter des responsabilités dangereuses, on doive pousser jusqu'à l'absurde et l'arbitraire l'application de leurs dispositions les plus simples?

Il n'appartent pas au Corps Consulaire de se prononcer sur cette question. Mais, en présence des difficultés créées journellement par les autorités douanières, des plaintes incessantes du commerce, de l'intervention inutile des Consulats, des recours continuels auprès des Ambassades pour des affaires presque futiles, le Corps Consulaire émet le vœu que des démarches pressantes soient faites afin d'obtenir, soit que le choix des Nazirs se porte sur des fonctionnaires connaissant à fond leurs règlements et capables de les mettre en application, soit que des pouvoirs assez étendus leur soient accordés pour pouvoir régler sur place, et sans avoir à en référer continuellement à Constantinople, les questions concernant l'interprétation des règlements douaniers.

Le recours à Constantinople devrait être l'exception, alors qu'il est aujourd'hui la règle constante et journalière.

2. La question du droit d' "ardié" semble avoir été réglée, en fait, d'une façon satisfaisante. Le Nazir ne réclame plus le payement des droits d' "ardié" lorsque le négociant peut établir, par un cachet apposé sur le bon de livraison, qu'il s'est présenté en temps utile pour retirer la marchandise, et que le retard subi ne provient ni de sa faute ni de sa négligence.

Il serait, cependant, nécessaire que ce système, appliqué depuis peu de temps, reçoive la consécration de l'approbation officielle de l'Administration Centrale et fasse l'objet d'un règlement spécial qui ne laisse pas à la bonne volonté du Nazir la faculté de le mettre, ou non, en application.

Interrogé à ce sujet l'Inspecteur Aziz Bey a déclaré qu'il espérait que les mesures prises par lui feraient disparaître toutes les causes de retard et que, d'après lui, le Nazir était autorisé à agir comme il le faisait depuis un certain temps.

Tout cela est encore bien vague. Aussi le Corps Consulaire ne croit-il pas devoir négliger la question des "ardiés," et en recommande-t-il le règlement définitif.

Insuffisance des Locaux de la Douane.

Ordre vient d'être donné de réoccuper les dépôts du local Kessissoglou, et d'y installer les bureaux de la Douane Intérieure. On a donc, de la sorte, augmenté les dépôts de la Douane Extérieure de l'emplacement occupé précédemment par les Bureaux de la Douane Intérieure. C'est un pas sérieux de fait mais qui est loin d'être suffisant.

Il semblerait cependant, d'après les affirmations d'Aziz Bey, que l'Administration Générale se serait décidée à commencer sous peu la construction du môle de 50 mètres de largeur sur 115 mètres de longueur dont il était question dans le Rapport indentique du Corps Consulaire du 20 Mars dernier. Ce môle une fois achevé, la Douane Intérieure serait réinstallée dans ses anciens bureaux et l'emplacement du nouveau môle serait affecté exclusivement au service de la Douane Extérieure.

Ce serait la meilleure des solutions, si tant est que, sortant du domaine des promesses, elle soit prochainement mise à exécution. Le Corps Consulaire prie donc MM. les Chefs des Missions Diplomatiques de recommander la construction de ce môle et d'obtenir l'ordre de commencer dès à présent les travaux.

A son Rapport de l'an passé, le Corps Consulaire croit devoir ajouter trois autres points dont l'examen lui a été imposé par les réclamations des négociants étrangers.

Estimations.

Un des griefs les plus sérieux des commerçants étrangers, en ce qui concerne les estimations faites en douane, est fondé sur l'emploi de courtiers étrangers à l'Administration des Douanes, et qui sont appelés journellement à se prononcer sur la question d'estimation.

Il est évident que la variété des produits importés par la Douane de Smyrne est si grande qu'il serait difficile de réclamer des estimateurs une compétence absolue sur les prix, parfois variables, de tous ces produits. En tous cas, ils devraient être recrutés parmi des personnes suffisamment au courant de la valeur des marchandises pour que les conflits qui se produisent journellement soient évités en majeure partie.

Malheureusement, par suite de ces conflits, dont le nombre devrait être réduit considérablement, s'est établi un usage déplorable qui porte un préjudice considérable, non seulement au commerce étranger, mais également à l'Administration des Douanes.

Lorsque le registre du comptable (Moubassir) est présenté au Directeur après l'estimation de la marchandise, pour en réduire ou en augmenter le montant, aucune décision n'est prise sans que l'on demande et que l'on suive l'avis de courtiers qui séjournent constamment à la douane. Or, ces courtiers, qui, n'étant pas fonctionnaires, n'ont aucune responsabilité, ont intérêt à augmenter la valeur des marchandises afin que les négociants soient mis dans la nécessité de payer en nature. Or, quand ces marchandises sont ainsi abandonnées, ils attendent le jour où elles seront vendues aux enchères, et ils s'entendent entre eux pour les racheter à vil prix.

Les commerçants étrangers n'ont pas à défendre les intérêts de l'Administration des Douanes et peu leur importe si, par suite de ces errements, elle supporte une perte plus ou moins importante. Si, donc, ils lui font grief de l'emploi de ces courtiers irresponsables et peu consciencieux, c'est qu'en dehors du trouble qui leur est imposé par l'obligation de payer en nature, ils sont à la merci de ces courtiers qui promènent leurs marchandises au bazar sous prétexte de mieux se renseigner, les exposent de la sorte à des détériorations, en prennent des échantillons et livrent aux différents concurrents du bazar tous les renseignements qui peuvent les intéresser sur la nature des produits, les dessins et le coloris des tissus, les lieux et maisons où chaque commerçant s'approvisionne, &c.

Il serait donc à souhaiter que les autorités douanières soient invitées à se débarrasser de ces parasites, et, en cas de besoin, à s'adresser à des experts qui seraient désignés par la Chambre de Commerce ou le Tribunal de Commerce.

Analyses.

En ce qui concerne les analyses chimiques, la date toute récente du nouveau règlement qui les régit ne permet pas au Corps Consulaire de se prononcer sur la valeur de ce règlement. Il sera, d'ailleurs, ce qu'en feront les autorités douanières par son application et surtout par la compétence professionnelle et l'intégrité des chimistes désignés. Il faut, donc, attendre avant d'émettre un avis. Un cas qui s'est passé ces jours derniers permet de craindre que l'esprit de ce règlement n'ait pas encore été bien compris.

Timbre.

En terminant, le Corps Consulaire exprime le vœu qu'aucune surélévation des droits de douane ne soit accordée tant que le Gouvernement Impérial ne prendra par l'engagement formel de ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues, perçues sous la forme de " droit de timbre."

Malgré les réserves des Missions Diplomatiques et les protestations des commerçants étrangers, ces derniers ont dû se soumettre à l'application forcée du timbre du Hedjaz. D'autre part, l'application de la nouvelle loi sur le timbre, dont le but était,

cèpendant, de réduire les taxations prévues, a permis de constater que certaines taxes avaient été quadruplées depuis trois ans par l'application de timbres de valeur quatre fois plus grande.

Les opérations commerciales ont besoin de tranquillité, de stabilité, et ne peuvent supporter d'être inquiétée par l'application brusque et arbitraire de taxations nouvelles.

Que cette question du timbre ne soit pas réglée définitivement et qu'il reste loisible au Gouvernement Ottoman d'édicter, sous un prétexte quelconque, l'application de nouveaux timbres, c'est ce que le commerce étranger appréhende par dessus tout, car il sait que, bon gré mal gré, il devra se soumettre et payer.

Aussi les négociants de notre place ont-ils prié leurs Consuls d'attirer sur cette question l'attention de MM. les Chefs des Missions Diplomatiques et d'en recommander l'examen à toute leur bienveillante sollicitude.

Smyrne, le 26 *Avril*, 1906.

(Translation.)

THE Consular Body addressed last year to the Heads of Diplomatic Missions an identic Report in which it enumerated the improvements which had been introduced into the working of the Customs services in our port.

The dispatch of an Inspector of the Customs Administration to Smyrna has afforded the Consular Body an opportunity for meeting recently and examining the present position of the Customs services.

The Consular Body, therefore, resuming the work which it submitted to the Diplomatic Missions on the 20th March, 1905, has examined, point by point, the different proposals presented by it in order to be able to define the changes already introduced into the different branches, and those which having already been recommended by Aziz Bey can be immediately brought into force.

The Consular Body will, therefore, submit to the Heads of the Diplomatic Missions the result of its investigations and joint labours in the order followed in their former Report.

Staff.

The Inspector, Aziz Bey, has declared that he had recommended to his Administration that they should consent to a general increase in the number of employés in the proportion of 1 to 4, and also to a very considerable increase in their salaries. The intention is praiseworthy, and it is to be hoped that this proposal will be favourably received by the Central Administration.

1. As regards the valuers, no change has been introduced during the past year. The Inspector, however, declared that he had recommended an increase of two valuers. The Consular Body had been careful only to recommend an increase of one. It has therefore only to subscribe to the Inspector's proposal.

2. So with the "Muhassibs." Nothing has yet been done, but the Inspector, going beyond the proposals of the Consular Body, who had contented itself with requesting the appointment of one additional "Muhassib," alleges that he recommended the appointment of two of these officials.

3. The appointment of a second "Sanduk Emini," demanded by the Consular Body, was made six months ago.

To sum up, the increase of the staff during the past year simply consists in the appointment of a second cashier. We have now before us the proposals made by the Inspector, which, apart from the general increase for the whole Customs service which he suggests, consist in the immediate appointment of two valuers and two "Muhassibs."

These proposals of the Inspector deserve the support of the Heads of Missions.

Porterage.

(See also the Special Report of the Consular Body, dated the 20th March, 1905.)

The number of "hamals" of the first class has been increased to 120, not counting the "onbashis," who number from 10 to 15.

The body of "hamals" should always be maintained at this figure. The Inspector

asserts that the Nazir has received permission to increase it provisionally in case of need.

The "hamals" of the second class have been abolished.

The "hamals" of the second class who work outside the custom-house have been retained, and a Tariff has been drawn up to fix the dues to be paid for the transport of goods outside the two zones for which a Tariff existed previously.

It should be mentioned that a local Commission was formed to draw up this new Tariff, in the labours of which foreign merchants took no part.

The members appointed received no mandate either from the Consuls, the European traders, or the native merchants.

The Diplomatic Missions should therefore be made aware of this proceeding, and should provide for the case of the Customs Administration one day asserting that the porterage Tariffs were discussed and accepted by the commercial community of Smyrna.

Besides this, the porterage question, which has been and is a cause of complaint and of protest against the present régime on the part of the foreign commercial community, is not merely a question of Tariff, but one of the existence of an abominable monopoly which weighs heavily on foreign trade, almost exclusively to the profit of a private individual.

The Consular Body have explained in detail to the Heads of the Diplomatic Missions that, to clear their goods through the customs, foreign traders have to submit to all the exigencies and arbitrary whims of a so-called farmer of the porterage, against whom the Customs authorities and the Vali himself are powerless, as he is the agent and representative of a high official who enjoys the highest credit.

Besides the high Tariff imposed upon them for the transport of their goods, they must submit to the payment of all the "bakhshish" demanded of them, if they wish to clear their goods through the customs and take them home.

The Hamal Bashi is an official who reigns supreme in the Smyrna custom-house, and before whom the highest officials tremble.

The porterage revenue is thus much more important than one might suppose. Judging from the number of pieces of goods received at Smyrna or shipped from our port, one can reckon it approximately at £ T. 14,000.

From this huge sum the "hamals" receive but a ridiculously trifling salary. The Customs Administration does not even receive half; the rest goes to the holder of the concession.

A tax of about £ T. 6,000 is, therefore, levied on foreign trade, which goes neither to the good of the Public Treasury, nor to the improvement of the Customs service, nor to the public welfare, but simply to enrich a favourite.

This monopoly is, therefore, abominable and immoral, and it is easily to be understood that foreign traders vehemently demand its suppression.

The transport of goods outside the custom-house should be absolutely free. When once the "hamals" of the Administration have deposited them at the doors of the custom-house, the merchant should be free to have them carried home as he pleases.

Moreover, nothing would prevent the Customs Administration from keeping a body of "hamals" working under its control, which would ensure to it a more considerable profit than that which accrues to it at present. If the Tariff presented to trade were reasonable, it is probable that the great majority of merchants would have an interest in employing "hamals" whom they knew, and who were controlled and supplied by the Customs Administration.

But the principle of free transport should be established, for it alone can abolish the régime of monopoly and prevent its eventual re-establishment.

Material.

The Consular Body demanded the installation of three cranes to facilitate loading and discharging operations into and out of lighters.

Orders have now been given for the purchase of two cranes, which will be put on rails. Being thus easier to move, these two cranes may be considered sufficient for the moment.

The purchase of a new crane should be taken into account after the completion of the mole, the construction of which is announced, and of which we shall speak under the heading of "Inadequacy of custom-house premises."

Administrative Measures.

1. The merchants of the town of Smyrna handed to Aziz Bey a long Memorandum concerning the reforms which should be introduced into the working of the custom-house.

The Consular Commission has attentively examined this work, which is too long to be reproduced in this note.

It will therefore confine itself to pointing out that, besides a reasoned statement of the disadvantages which trade suffers from, it suggests several practical means by which the numberless useless formalities which are insisted on in the clearing, transit, and reshipment of goods may be put an end to.

One detail which the Consular Commission cannot help noticing with astonishment is the list of the different offices or sections which must be applied to in order to fulfil Customs formalities.

The facts are so improbable that the Consular Commission feels obliged to reproduce this list, which is instructive for those occupied in the improvement of the Customs service in Turkey.

The employé intrusted with the clearing of a piece must visit the following offices :—

(1) Manifest office; (2) Secretary of the depôt; (3) Chief Secretary (Bash Kiatib); (4) Examiner (Araiji); (5) Accountant (Mubassir); (6) Kantarji (weigher); (7) Sirikji (who notes the weight of goods); (8) Kissirji (who opens cases); (9) Repacker (who takes the goods out of the cases and puts them back); (10) Valuer: (11) Official of the section for payment in kind; (12) Secretary of transport; (13) Financial department and its registers; (14) Official who gives passes to go out to the door-keeper; (15) Secretary for receipts for money paid; (16) Secretary for the settlement of quay dues; (17) Office of the accountant of the control; (18) Door-keeper's office; (19) Kapuji (head door-keeper); (20) Hamal Bashi; (21) Nazir or Mudir.

It appears that even this list is incomplete.

But beside this strange complication, which, alone, would suffice to explain the vices of the Customs organization in Turkey, and the absolute necessity of a radical simplification of the machinery of this Administration, there is another abuse against which trade vehemently protests, and which merits the attention of the Heads of Missions.

Every day new Regulations, usually involving severe prohibitions, are put in force, without the slightest previous notice having been given to traders, and even without the precaution having been taken to post them up in a public room so that merchants may take note of them.

The Customs authorities, in applying these Regulations, act with a severity which is not only excessive but also unintelligent.

This evil would be easily remediable if it were only a question of vexations inflicted by petty officials, against whom appeal to the higher authorities could usefully be lodged.

Unluckily, the Consular Body must record the fact that, in spite of all the efforts which have been made to make the Nazir understand that this continual detention of goods, their despatch to Constantinople or their sequestration until the arrival of instructions from the Central Administration, seriously interferes with commercial operations and causes great material losses, nothing can make him consent to take immediate decisions on the spot and prevent him from sending everything to Constantinople, even in the simplest cases.

Is this lack of authority or of initiative on his part? Are the Customs Regulations too confused to guide and enlighten provincial Nazirs? Are they so severe that, in order to avoid dangerous responsibilities, the application of their simplest provisions must be pushed to absurdity and arbitrariness?

It is not the business of the Consular Body to pronounce upon this question. But, in face of the difficulties daily created by the Customs authorities, the incessant complaints of trade, the useless intervention of the Consulates, the constant recourse to Embassies for matters which are almost futile, the Consular Body expresses the hope that urgent steps may be taken to ensure that the choice of Nazirs should be made from among officials who know the regulations thoroughly and are capable of applying them, or that they may be endowed with powers wide enough to settle, on the spot,

questions concerning the interpretation of the Customs Regulations without having continually to refer to Constantinople.

Recourse to Constantinople should be the exception, whereas it is now the constant and daily rule.

2. The question of "ardie" dues appears, in fact, to have been satisfactorily settled. The Nazir no longer insists on their payment when the merchant can show, by a seal affixed to the delivery certificate, that he applied in good time to clear the goods, and that the delay was not caused by his fault or negligence.

This system, however, which has only been in force for a short time, should receive the consecration of official approval from the Central Administration and be the object of a special regulation which does not leave the choice of applying it, or not, to the pleasure of the Nazir.

When questioned on this subject, Aziz Bey declared that he hoped that the measures which he had taken would remove all causes of delay, and that, in his opinion, the Nazir had for some time had authority to act as he was doing.

All this is still very vague. The Consular Body therefore considers that the "ardie" question should not be neglected, and recommends its definite settlement.

Inadequacy of Custom-house Premises.

Orders have now been given to reoccupy the Kessissoglu premises, and there to place the Inland Customs. The storehouses of the foreign custom-houses have thus been enlarged by the site previously occupied by the offices of the Inland Customs. This is certainly an important step, but it is far from being enough.

It seems, however, from the statement of Aziz Bey that the general Administration has decided shortly to begin building the mole 50 metres broad by 115 long, which was mentioned in the identic Report of the Consular Body of the 20th March last. When once this mole is finished, the Inland Customs will be reinstated to its former offices, and the space on the new mole devoted entirely to the foreign Customs service.

This would be the best solution if it is removed from the domain of promises, and shortly carried out. The Consular Body therefore beg the Heads of the Diplomatic Missions to recommend the construction of this mole and to obtain the issue of an order for the immediate commencement of the work.

The Consular Body think it well to add to their Report of last year three other points which the demands of the foreign merchants have compelled them to examine.

Valuations.

One of the most serious grievances of the foreign traders, as regards valuations made in the custom-house, is that of the employment of brokers not belonging to the Customs Administration, who are daily called in to decide questions of valuation.

It is clear that the variety of products imported by the Smyrna custom-house is so great that it would be difficult to demand from the valuers absolute competence in judging the prices of all these products, which are often variable. They ought, however, to be chosen from among persons sufficiently acquainted with the value of goods to avoid most of the disputes which daily arise.

Unluckily, in consequence of these disputes, the number of which should be considerably reduced, a deplorable custom has grown up which causes considerable loss, not only to foreign trade, but also to the Customs Administration.

When the register of the accountant (Mubassir) is presented to the Director after the valuation of goods, so that the total may be increased or diminished, no decision is arrived at without asking and taking the advice of brokers who are constantly in the custom-house. These brokers who, not being officials, have no responsibility, have an interest in increasing the value of the goods in order that the merchants may be obliged to pay in kind. When these goods are thus left, they await the day when they are sold by auction, and arrange among themselves to buy them in cheap.

It is not the business of foreign traders to defend the interests of the Customs Administration, and it is of little consequence to them if, in consequence of these mistakes, it suffers a more or less considerable loss. If, then, they make a grievance of the employment of these irresponsible and unconscientious brokers, it is that, besides the trouble caused to them by the obligation to pay in kind, they are at the mercy of

these brokers, who hawk their wares in the bazaar under the pretext of obtaining better information, expose them to damage by so doing, take samples of them, and give away to competitors in the bazaar all particulars which they care to have as to the nature of the products, the patterns and colours of the fabrics, the places and firms whence each trader obtains his stock, &c.

It is therefore desirable to ask the Customs authorities to get rid of these parasites, and, if need be, to apply to experts appointed by the Chamber of Commerce or the Commercial Court.

Analyses.

As regards chemical analyses, the very recent date of the new Regulation which governs them prevents the Consular Body from pronouncing upon its value. It will, besides, be what the Customs authorities make of it by their method of applying it, and, above all, by the professional competence and honesty of the chemists appointed. It is therefore necessary to wait before pronouncing an opinion. A case which has happened within the last few days gives reason to fear that the spirit of the regulation has not yet been properly understood.

Stamps.

Finally, the Consular Corps express the hope that no increase of the customs duties will be agreed to until the Imperial Government gives a formal undertaking not to burden Customs operations with new and unforeseen taxes collected in the form of "stamp duties."

In spite of the reserves of the Diplomatic Missions and the protests of foreign traders, the latter have had to submit to the forcible affixing of the Hedjaz stamp. Moreover, the enforcement of the new stamp law, though its object was to reduce the taxes referred to in it, has made it possible to show that certain taxes have been quadrupled in the last three years by the affixing of stamps of four times the former value.

Commercial operations need quiet and stability, and cannot bear disburbance by the sudden and arbitrary application of new taxes.

That the stamp question should not be definitely settled and that it should remain open to the Ottoman Government to decree under some pretext the affixing of new stamps is what foreign trade fears above all things, for it knows that, willingly or not, it must submit and pay.

Our merchants have therefore begged their Consuls to call the attention of the Heads of the Diplomatic Missions to this question, and to recommend the examination of it to their kind consideration.

Smyrna, April 26, 1906.

Inclosure 22 in No. 112.

Letter of Instructions embodying the Reforms decided upon, drawn up by the Commission appointed for the Purpose of Inquiring into the Working of the Custom-house Porters of Constantinople.

(Translation.)

1. THE number of "hamals" employed in the custom-house for foreign goods at Stamboul and that of the trucks used for transporting goods from one part of the custom-house to another, shall be increased in proportion to the daily requirements.

2. In the above-mentioned custom-house 30, and in the other custom-houses also, a sufficient number of "hamals" should be selected from the "hamals" therein employed, capable of reading marks and numbers, and these shall be permanently employed in the sheds ("ambars"), with a view to the prompt identification and delivery of goods, and to acquire by practice dexterity in packing. These men shall not be changed so long as no fault is found with them or so long as they retain the confidence of the Administration. A special "kol-bashi" shall be on duty at the place where goods are examined, for the purpose of promptly removing, at the behest of the examining officials, to a place designated for their safe keeping, goods which have been examined and registered, and had the examination mark put on the

coverings, pending the completion of the remaining formalities. All "hamals" employed in the custom-house, including the "kol-bashis" and "keïssé-dars," shall wear a distinctive badge, and no "hammals" not wearing this badge shall be allowed entrance to the custom-houses. In order that the number and nature of the "hamals" employed in the custom-houses may be known to the Administration also, a register containing their names and patronymics, certified by the Head of their guild and his deputies, shall be given to the Administration, and when any changes occur amongst them, notice thereof shall be given in writing by the said heads as occasion may arise, and descriptive lists of the substitutes engaged shall be handed in. Custom-house "hammals" shall be, so far as possible, robust and powerful men, and their "kol-bashis" and "keïssé-dars" shall be selected from amongst the best behaved of those employed, and, in order to facilitate the access of merchants and business people engaged in custom-house operations, the deputies of the head of the guild shall reside in a place specified within the custom-house.

3. The "hammals," as well as the "atchadjis" (case openers and reclosers, who are included with them, shall not demand or receive from the merchants or business people any money beyond the fixed remuneration, under the title of "sherbentlik" or "kahvé-parassi" or any other name, and those who persist in doing so shall promptly be banned by the guild. In case of controversy or difference arising between merchants or business people and "kol-bashis" or "keïssé-dars" in regard to porterage charges or other matters, recourse shall be had to the deputies of the Head-men ("kehaya"), and if they are unable to settle the matter, both parties shall conform themselves without opposition to the opinion and decision to be given by the Director-General of Indirect Contributions. Such as are recalcitrant, or as are shown to the Administration to have misbehaved themselves, as well as "kol-bashis" or "keïssé-dars" or porters who shall insult or behave with violence or insolence towards merchants or persons having business at the custom-house, shall be temporarily banned by the guild for periods proportionate to the degree of their offence and, in case of repetition shall be reported by the Director-General to the deputation for expulsion from the custom-house.

4. The porterage charges on merchandize in general, as well as on traveller's personal baggage, shall in every case be paid in conformity with the tariff; and the porterage on bulky articles, like iron safes, carriages, machines, boilers, instruments, and pianos, requiring more than eight poles for their transport, which have hitherto been regarded by the hammals as outside the Tariff, and so have given rise to controversy, shall also be levied in conformity with Article 8 of the Tariff.

Save that, in view of the extreme bulkiness of the bales of carpets landed at the custom-house for foreign merchandize, they shall continue to levy on these as before the sum of 3½ piastres per bale, under the name of "inside porterage"; while on such balès as are not transported to the merchants' shops but to the transit warehouses for re-exportation porterage shall be paid according to the last paragraph of Article 4 of the Tariff.

5. With regard to coffee, sugar, rice, groceries, or packing, paper, and goods of a class like zinc, nails, cement, chemicals, cases of matches, &c., which, in accordance with old-established usage, have not been landed into the Customs warehouses, but have been subjected to examination and other formalities afloat, either actually on board the lighters or else being wholly or partly landed on the quays or wharfs and again placed on board the lighters, after being weighed and examined, there shall only be levied 10 piastres for every "salapouria," and 20 piastres for every "mahona."

For bales of writing and printing papers, cardboard and sacking, for cases or barrels of boot-nails or clips, white lead, zinc and industrial oils, for bundles of copper and such like, as they are not passed through the custom-house, it will be sufficient for only 10 per cent. of the charges fixed by the Tariff to be levied.

6. Although the hammals shall continue to receive, as before, the sum of 10 paras per package, which they have received under the name of "Manella parassi," on goods which require to be weighed with a view to the estimation of their duty, they shall not demand "Manella parassi" on goods which are not taxed by weight, but are only weighed by the Customs for the purposes of control, or for establishing the amount due for storage ("ardié") or for re-examination. Goods which undergo examination and other formalities afloat, and are subjected either wholly or in part to weighing, owing to administrative necessity on the part of the custom-house, shall, according to established usage, pay only 5 piastres for each "Mahona" or "Salapouria," and nothing shall be exacted in excess of that.

7. In the Tariff one hammal's load at 60 old okes or 78 kilog., that is to say, in the case of goods arriving in small recipients or bound together in bundles, such as paint (?), metal-plates, slates, &c.; a hammal's load shall be estimated at whatever quantity a hammal can carry on his back, so that it does not exceed 77 kilog.

8. Merchants can send their goods to whatever place they choose; as, for instance, if they do not desire to send them to their warehouses, such being situated in a quarter forming part of the second or third circumscription, but wish to transport them to another warehouse situated in the first circumscription, no opposition shall be made to this, and porterage shall of course be paid at the rates fixed for the first circumscription.

9. The "openers" shall receive two piastres per bale, as manifested, as "making-up fee," from all Russian and Persian carpets passing through the custom-house for foreign goods at Stamboul; for those arriving from Trebizond 50 paras, and for those coming from the interior for shipment abroad 4 piastres per bale. For opening foreign merchandize, &c., for the purpose of Customs examination and reclosing the same, they shall receive the same remuneration as by established usage they have been accustomed to receive, *i.e.*, for large cases of manufactured goods 40 paras, for smaller cases 30 paras, and for other cases or packages of small wares or goods taxable by weight 20 paras on every package. That is to say that, in the case of such goods as india-rubber, starch, or white lead, where there is a large quantity of packages of which the contents are identical, the number of boxes or packages required by the Customs being opened a fee shall be levied equivalent to 10 per cent. of the porterage dues, and in the case of boxes and barrels of which the Customs examination and other formalities are performed afloat, only 20 piastres shall be levied on each "mahona" load, and 10 piastres on each "salapouria," and nothing shall be taken in excess thereof.

10. For making up in bales the carpets arriving from Batoum and Trebizond in transit for shipment abroad, for sewing over them the sack-cloth to be provided by the owners and binding with cords, the "stitchers" shall receive 5 piastres per bale.

For undoing, for the purpose of Customs examination, and resewing bales of merchandize, &c., they shall receive the fees actually in vogue, *i.e.*, for large bales of calico, cloth, or cotton manufactures 20 paras per bale, for bales of silk and small bales of calico not exceeding 200 kilog. in weight, and bales or bundles of other similar goods 10 paras each bale, and no charge in excess of these sums shall be made.

No. 113.

Sir N. O'Conor to Sir Edward Grey.—(*Received January* 28.)

(Extract.) *Pera, January* 21, 1906.

YESTERDAY, Ghalib Bey, the Grand Master of Ceremonies, called upon me by desire of His Imperial Majesty, and repeated his visit this afternoon.

Ghalib Bey said he was specially directed by the Sultan to express the hope that I would do what I could to persuade my Government to agree, in view of the urgent needs of the Exchequer, to the 3 per cent. increased customs duty..

I replied that I had had the advantage of discussing this subject with you at some length, but that in view of the unsatisfactory progress of the reforms in Macedonia, and more especially having regard to the non-fulfilment of the promised improvement in the Customs Administration throughout the Empire, you felt it was outside your power to consent to impose an increased duty upon British imports unless, at the same time, you were able categorically to state that valuable and specific ameliorations of this system had been not only promised, but actually put into force. His Majesty's Government were not unreasonable in their demands, and an assurance that those improvements, such as the construction of Customs dépôts, &c., which required time for their execution, would, if officially given, be accepted as satisfactory. On the other hand, those which admitted of immediate execution must be actually put into force before they could consider finally the question of their consent to the proposed customs increase. If the Imperial Government wished to get their request, they had only to comply fully and honestly with the demands which had been already presented to the Porte. These demands were not only reasonable and capable of immediate execution, but were in consonance with the development of Turkish trade and the interest of the country.

No. 114.

Sir Edward Grey to Sir E. Goschen.

Sir, *Foreign Office, January* 28, 1907.

COUNT MENSDORFF came to tell me to-day that Baron d'Aerenthal had received information that the gendarmerie in Macedonia were not being paid, and, indeed, that many payments were in arrears; that the situation was becoming serious; and that it was impossible to make any progress till the 3 per cent. customs increase had been settled. As we had already agreed in principle to that increase, he hoped that we would be able to give our definitive assent to it without delay. Otherwise there was a risk that there might be a complete breakdown in Macedonia.

I said the state of things in Macedonia was, no doubt, very unsatisfactory, and had been so for the last year. It was quite true that no improvement could be made unless money was forthcoming, but I wished I could be sure that there would be some real improvement if money was forthcoming. Even when the gendarmerie were paid, they were obstructed by the Porte, and General Degiorgis had lately had to give a most unsatisfactory account of the difficulties which the gendarmerie experienced, apart from the question of pay, in performing their duties.

I regarded the reply of the Porte and its arrangements with regard to the debt as having disposed of the actual conditions respecting Macedonian reform which had been stipulated for in connection with the 3 per cent. increase, provided that the Porte fulfilled these conditions after the increase came into operation. But there were other conditions, such as the improvement of customs-houses, of a purely commercial character, which had been arranged with the Board of Trade here before Macedonia was brought into the negotiations. The Porte had promised to give certain instalments of reform at the customs-houses as a condition precedent to the 3 per cent. increase. We had now received a report from Constantinople which showed that this condition had not been adequately fulfilled yet. I had referred that to the Board of Trade, and was in consultation with them.

Count Mensdorff pressed upon me very earnestly the importance of the question from the point of view of Macedonia, and urged that we ought not to withhold our consent to the increase of customs duties, as we had always been very anxious to promote Macedonian reform.

I said this last statement was quite true, but I should now be exposed to the question whether the increase of 3 per cent. would insure Macedonian reform. I might be told that the conditions stipulated for with regard to the increase in the customs dues had not been sufficient. To that I was prepared to reply that, having agreed to the conditions, I was bound to agree to the increase when and as long as the conditions were fulfilled. But if it turned out that, with regard to the commercial conditions, even that for which I had asked had not been fulfilled, I should have no defence for having yielded.

I am, &c.
(Signed) E. GREY.

No. 115.

Sir N. O'Conor to Sir Edward Grey.—(Received February 4.)

(Extract.) *Constantinople, January* 28, 1907.

I HAVE the honour to report that I was received in audience by the Sultan on the 25th instant.

After some conversation on other subjects, His Majesty referred to the 3 per cent. customs duty, expressing regret at the delay in putting this matter through.

I said that you were in a very difficult position. British merchants trading with this country did not at all fancy the proposed augmentation of duty, and in order to reconcile them to it you must be able to prove to the country and to the House of Commons that certain valuable concessions affecting British trade had been acquired in compensation for the customs duty. I said that several explicit demands in this regard had already been presented by the Embassy to the Sublime Porte, and that upon the reply to these demands depended in great measure the consent of His Majesty's Government to the 3 per cent.

The Sultan said he had not yet seen these demands, and asked for details

respecting their nature and character. I told him the main features, and explained that all these demands were indisputably in the interest of Turkish as well as of British trade.

The Sultan said that as far as he understood them this seemed to be so, and that he thought they could be accepted.

No. 116.

Sir N. O'Conor to Sir Edward Grey.—(Received February 8.)

(Telegraphic.) *Constantinople, February 8, 1907.*

CUSTOMS improvements.

Inquiries which have been made by the Commercial Attaché to His Majesty's Embassy show that it is desirable that certain of our desiderata should be modified. I should accordingly desire to delete from our demands desideratum F in regard to Customs operations and desiderata B and I with respect to the porterage question; also I would wish that desideratum J should be modified in such a manner that it may be assimilated to point D in our demands respecting porterage in Constantinople.

No. 117.

Sir N. O'Conor to Sir Edward Grey.—(Received February 12.)

(Telegraphic.) *Constantinople, February 12, 1907.*

CUSTOMS improvements.

Our negotiations on this subject are nearing the end.

We think that we ought to present our demands officially to the Sublime Porte before the 17th instant, when it is probable that the new Regulations will be ready for submission to the Council of Ministers. I propose, subject to your approval, to communicate to the other Ambassadors a copy of the text of our demands.

No. 118.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February 13, 1907.*

CUSTOMS improvements.

With reference to your telegram of the 12th instant, I authorize you to communicate the text of the desiderata to your colleagues, but instructions with regard to those referring to the porterage question will be sent to you in two or three days, and you should therefore omit them.

No. 119.

Sir N. O'Conor to Sir Edward Grey.—(Received February 15.)

(Telegraphic.) *Constantinople, February 15, 1907.*

WE have practically concluded the informal negotiations respecting the desiderata in regard to the porterage at Constantinople referred to in your telegram of the 13th February. The Administration of the Central Customs appear disposed to accept responsibility for damage caused by the porters to merchandize and agree to exercise an effective control over the porters. They will be forbidden to make use of hooks. The Customs have admitted the rectification which we desired in the limit of the first zone, and on payment of the porterage dues for this zone the merchants are to be at liberty to employ carts for the transport of their goods from the custom-house. The scale of charges for goods conveyed in hand-carts has been defined, as well as the weights which are to be carried by means of poles. Instead of the 100 kilog. standard a special scale has been framed on the basis of pole-weights for the porterage dues for heavy merchandize.

The points put forward by the British Chamber of Commerce here in the interest of trade are practically satisfied by these concessions.

Discussion is still proceeding on the subject of the porterage at Smyrna; it would not, however, appear feasible to make any further reduction in the inside tariff for porterage. Yarns, cotton goods, and printed mulls, which are all important British imports, will benefit by the reduction already effected. The Customs offer to arrange, in view of the fact that the outside porters are a distinct body from the inside "hamals," that on payment of half of the tariff of the first zone merchants shall have the right to use their own conveyances. This last concession is considered satisfactory by His Majesty's Consul-General at Smyrna.

No. 120.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February* 16, 1907.

CUSTOMS improvements.

The proposal, made in your telegram of the 8th instant, to modify porterage desideratum J in such a way that it will be assimilated to D meets with the concurrence of the Board of Trade. You should, however, unless you see any serious objection thereto, retain porterage desideratum B, which they consider to be a useful one.

I should be glad to learn on what grounds you advocate the omission of desideratum F from the requirements in respect to customs operations. The Board of Trade are opposed to this omission.

No. 121.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February* 16, 1907.

CUSTOMS improvements.

Your telegram of the 15th instant.

1. Before saying anything further with regard to Smyrna, we will await the result of the efforts being made by the Customs to arrange for the right of merchants to use their own or hired conveyances.

2. With regard to Constantinople, the provisions mentioned by you respecting porterage appear satisfactory, but definite steps will have to be taken to give effect to them.

No. 122.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February* 16, 1907.

CUSTOMS improvements.

Among the ports at which improved accommodation is required, Bagdad, I notice, is not mentioned.

The Euphrates and Tigris Steam Navigation Company suggested certain improvements in their letter of the 17th ultimo, of which a copy has been sent to you.* You should endeavour to secure these.

No. 123

Sir N. O'Conor to Sir Edward Grey.—(Received February 17.)

(Telegraphic.) *Constantinople, February* 17, 1907.

CUSTOMS improvements.

With respect to the points raised in your three telegrams of the 16th instant, the improvements at Bagdad have already been added to our desiderata. The demand has

* Not printed.

been favourably entertained by the Central Customs, who have telegraphed for a report to Bagdad.

The Commercial Attaché's reasons for abandoning desideratum B are given in my despatch of the 11th instant, which is due to reach London on the 21st instant, and this despatch will also explain our proposal that desideratum J should be assimilated to desideratum D, as far as it may be found practical to do so, for the reason that the outside and inside porters at Smyrna are distinct bodies of men, whose tariffs are separate.

The above-mentioned despatch will also explain my reasons for omitting desideratum F with regard to operations in the Customs.

No. 124.

Sir N. O'Conor to Sir Edward Grey.—(Received February 21.)

Sir, *Constantinople, February* 11, 1907.

ON careful inquiry at the Central Customs Administration, Mr. Weakley is satisfied that the estimate of the Customs porterage takings at Smyrna, contained in Mr. Cumberbatch's despatch of the 21st December,* includes both the outside and inside porterage charges, the carriage of goods within the Customs buildings at Smyrna and the external transport in the town itself being in the hands of two distinct bodies, and that the amount accruing to the custom-house from the inside porterage dues is, roughly, £ T. 9,000 a-year. The reductions which have been made in the inside Tariff, as well as the expenditure on account of the engagement of additional porters and increased salaries, leave only a small profit of £ T. 500 for the Administration.

It is also evident, on closer examination, that the Smyrna Tariff communicated in the Porte's note of the 9th November contains material reductions as regards certain British staples, especially in the case of yarns, printed mulls, and cotton goods. I have therefore ventured in my telegram of the 8th instant to request your permission to strike out from the porterage desiderata paragraph (*i*), and to modify paragraph (*j*) so as to give the Customs the right, in cases where the merchants themselves transport the goods to the stores, to charge the fees allowed for the first zone, thus assimilating this desideratum to that relating to the same question in Constantinople (paragraph (*d*)).

Since sending the above-mentioned telegram, I am glad to be able to report that Mr. Weakley has succeeded in inducing the Customs to agree to charging only 50 per cent. of the Tariff of the first zone in such cases.

I have also asked your permission to take out paragraph (*b*) of the porterage desiderata relating to the creation of a special bureau at the Customs for the payment of porterage charges, because Mr. Weakley has found, on careful inquiry, that the difficulty in carrying out the change would be out of all proportion to the advantage gained, and the inevitable delays which would attend the issue of receipts for payments by this bureau would only inconvenience merchants who are accustomed to the present system of direct payment to the foremen of the gangs.

Mr. Weakley is further of opinion that paragraph (*f*) of the Customs operations desiderata might with advantage be omitted, as the peculiar rate of exchange adopted is merely a convenient form of appraisement in the event of the invoice of the merchandize imported being taken as the basis of estimation. It must be borne in mind that the Customs appraisers are not bound to accept values as indicated by invoices, and are more usually guided by the prevailing market prices; while, on the other hand, if the importer is not satisfied with the valuation, he has the option of paying the duty in kind. The fictitious rate of exchange thus represents a 20 per cent. addition to invoice values, and as a rebate of 10 per cent. is always accorded to cover cost of freight and insurance the system of calculation cannot be said to involve any serious hardships to importers.

There is also a further point, which I am adding to our desiderata, relating to customs accommodation at Bagdad, based on the letter to the Foreign Office from the Euphrates and Tigris Steam Navigation Company, which reached me by last messenger. I have already raised this question in informal negotiations

* See p. 141.

with the Central Customs, who are now in telegraphic communication with Bagdad as to the improvements to be carried out there.

I have, &c.
(Signed) N. R. O'CONOR.

No. 125.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February* 23, 1907.

CUSTOMS improvements. Your telegram of the 17th February.

Porterage. We agree to the assimilation of desideratum J to D, and to the omission of desiderata B and I.

No. 126.

Sir N. O'Conor to Sir Edward Grey.—(Received February 23.)

(Telegraphic.) *Constantinople, February* 23, 1907.

THE Administration of the Central Customs are ready to submit the new Customs Regulations to the Council of Ministers, but I should like to present our demands officially before they do so. It is very important that these new Regulations should be approved by the Council of Ministers and sanctioned by an Iradé of the Sultan.

In my despatch of the 11th February I explained the satisfactory concessions which we had obtained in regard to questions of porterage at Constantinople and Smyrna, and on these grounds I would now request your authority to present our desiderata as modified by my above-mentioned despatch. With reference to my telegram of the 17th February, I propose retaining desideratum F with respect to customs operations.

No. 127.

Sir N. O'Conor to Sir Edward Grey.—(Received February 24.)

(Telegraphic.) *Constantinople, February* 24, 1907.

MY telegram and your telegram of yesterday.

I propose stating in the note transmitting our customs demands officially, which I hope to receive authorization to present to the Porte by Tuesday, that it must be clearly understood that all improvements which can be executed immediately shall come into force at once, and that those, such as depôts and other buildings, which cannot be done at once shall be executed with the least possible delay, while tangible proofs to this effect will be required.

I beg to receive telegraphic instructions as to the manner in which I should reply to Porte, should they ask whether their acceptance of our demands for customs improvements and execution means the approval of the 3 per cent. by His Majesty's Government.

No. 128.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, February* 25, 1907.

YOUR telegram of yesterday.

His Majesty's Government will be prepared to assent to the 3 per cent. increase when the Porte has accepted all their demands for customs improvements. You are authorized to reply in the sense you suggest in the first paragraph of your telegram. You should, however, also state to the Porte that the continued levy of the additional 3 per cent. during the seven years must depend upon their continuing to fulfil, during the time for which the 3 per cent. increase is conceded, the engagements which they have undertaken to perform.

Should the improvements in the customs administration and the conditions stipulated for respecting the Civil Budget, gendarmerie, and other reforms in Macedonia not be maintained and carried out, His Majesty's Government will regard themselves as at liberty to reconsider their consent to the increase, or to concert with the other Powers as to what measures of control of the custom-houses would be required to insure the additional revenue derived from the customs being effectively devoted to the object for which the increase was granted.

You should hand a statement to the Porte in this sense in writing, and communicate a copy of it to your colleagues.

No. 129.

Sir N. O'Conor to Sir Edward Grey.—(Received March 4.)

Sir, *Constantinople, February 27, 1907.*

WITH reference to your telegram of the 25th instant I have the honour to transmit herewith copy of the note and its inclosure, which I have to-day addressed to the Minister for Foreign Affairs, presenting officially to the Imperial Ottoman Government, in the form of an *aide-mémoire*, our demands in respect of the reforms and improvements which we desire to see effected in the Turkish custom-houses, and which have already been submitted unofficially by this Embassy to the Central Customs Administration.

In compliance with your instructions, I have informed the Porte that the consent of His Majesty's Government to the proposed increase in the Turkish customs duties is conditional, not only upon the acceptance by the Ottoman Government of these demands, but also upon the immediate execution of such of the reforms and improvements as can be carried out at once, and upon the issue of the necessary orders and contracts for those works of a permanent character which require time for their execution.

In connection with the consent of His Majesty's Government to the increased duties, I have added a statement placing on record the reservations of His Majesty's Government of the right to reconsider their position in the event of the Ottoman Government failing to fulfil the obligations which it has undertaken during the period or seven years agreed upon.

As regards the demands for customs improvements formulated in inclosed *aide-mémoire*, you will observe that our requirements in regard to Bagdad have been added in the form of a new paragraph (*k*) to the heading (I) Customs Accommodation ("locaux douaniers").

On Mr. Weakley's recommendation, I decided to retain paragraph (*f*) of the customs operations.

With respect to the "hamalage" demands, I was enabled, as a result of some further negotiations between Mr. Weakley and the Central Customs to insert in place of the original demand (*i*) a stipulation for the periodical revision of the internal porterage tariff at Smyrna, after consultation with the native and foreign merchants of the city, and a further condition that the proceeds of this Tariff shall be exclusively devoted to the improvement and increase of the porterage service.

I am communicating to the other Ambassadors copy of the note to the Porte, as well as of the *aide-mémoire* therein inclosed.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 129.

Sir N. O'Conor to Tewfik Pasha.

M. le Ministre, *Constantinople, February 27, 1907.*

IN its *note verbale* of the 9th March of last year to this Embassy, and again in the collective note addressed to the Austro-Hungarian, British, French, German, Italian, and Russian Embassies on the 9th November, the Sublime Porte declared that the desired improvements in the administration of the Ottoman custom-houses had been effected, and that the necessary regulations had, for the most part, been put into execution.

His Majesty's Embassy did not fail to make careful inquiries, both in the capital and in the provinces, with a view to ascertaining the extent and effect of the measures which the Imperial Ottoman Government had undertaken to adopt, and it was with regret that they discovered that, apart from the introduction of the new regulations for chemical analysis, and a slight increase of the personnel in some of the principal custom-houses, no steps had been taken to effect the improvements desired by His Majesty's Embassy and promised by the Sublime Porte in the interests of trade.

With a view to remedying this unsatisfactory condition of affairs, His Britannic Majesty's Embassy drew up a statement setting forth in detail the various reforms and improvements considered indispensable by His Majesty's Government, and submitted it unofficially, as a basis of informal negotiation, to the Central Customs Administration.

After prolonged and arduous discussions extending, as your Excellency is aware, throughout the two past months, the Central Administration of the Customs has, I understand, decided to report to the Imperial Government the result of the negotiations on the several points contained in the unofficial Memorandum presented by the Embassy, as well as on the question of "hamalage" at Constantinople and Smyrna, which was not included in the said Memorandum, but was subsequently discussed with the Central Customs Administration.

I have now been authorized by His Majesty's Principal Secretary of State for Foreign Affairs to present these demands officially to your Excellency, and I accordingly have the honour to inclose an *aide-mémoire* containing the proposals already communicated informally to the Administration of the Customs, with the addition of those which treat of the "hamalage," and I have to express the hope that they will receive the earnest and favourable consideration of the Imperial Government, and thus pave the way to a complete agreement on the various points at issue.

In compliance with the instructions of His Majesty's Principal Secretary of State for Foreign Affairs, I have to state that the consent of His Majesty's Government to the proposed 3 per cent. increase in the Turkish customs duties is conditional not only upon the acceptance by the Imperial Ottoman Government of the demands formulated in the inclosed *aide-mémoire*, but also upon the Sublime Porte carrying out without delay such of the reforms and improvements as are capable of immediate execution; while as regards those which demand time for their execution, such as the construction of depôts, permanent buildings, &c., His Majesty's Government will require that the necessary orders shall be given and the contracts for these works placed at once, so that there shall be no doubt whatever of the intention of the Sublime Porte to proceed with their execution with the least possible delay.

I am further instructed to say that, while His Majesty's Government are willing to give their consent to the increased 3 per cent. customs duty for a period of seven years upon the understanding that the Imperial Ottoman Government complies with the several engagements they have undertaken in this connection, they reserve the right to reconsider their position, should the Imperial Government fail to fulfil during such period the obligations which they have undertaken.

I avail, &c.
(Signed) N. R. O'CONOR.

Inclosure 2 in No. 129.

Aide-mémoire addressed to Tewfik Pasha by Sir N. O'Conor.

1. *Locaux Douaniers.*

(*a.*) Il serait à désirer, ou que des hangars suffisamment spacieux soient construits à la douane de Stamboul comme mesure provisoire en attendant la construction des nouvelles bâtisses permanentes, ou bien que l'accord à établir entre la Sublime Porte et la Société des Quais, relativement à la construction sans retard de ces nouvelles bâtisses permanentes, soit immédiatement effectué.

(*b.*) En attendant la construction des nouveaux dépôts à Salonique, il est nécessaire d'y établir des hangars provisiores, et de couvrir l'espace situé entre le premier et le second magasin.

(*c.*) Comme mesure provisoire en attendant la construction d'edifices permanents à Jaffa il faudrait couvrir l'espace devant la douane.

(*d.*) La Porte devrait s'engager à faire remplacer sans retard les trois anciennes grues existantes à Salonique par quatre grues à vapeur assez puissantes pour soulever chacune un poids de 3 tonnes au minimum.

(*e.*) La Porte devrait s'engager à prendre dès à présent les dispositions nécessaires pour qu'on puisse procéder à la construction des nouveaux édifices douaniers à Stamboul, Galata, Smyrne, Beyrouth, et Salonique.

(*f.*) La Porte devrait s'engager à prendre des mesures sans retard pour l'installation des édifices douaniers à Bussorah, pour la construction d'un quai, ainsi que pour le curage du canal qui passe devant les bureaux douaniers, afin de mettre les services douaniers plus en rapport avec le commerce très important de ce port.

(*g.*) La Porte devrait s'engager à faire prendre sans retard les dispositions nécessaires pour la construction de nouveaux magasins à Alexandrette pour y remplacer le débarcadère actuel par un quai d'une solidité et d'une longueur suffisantes aux besoins du commerce.

(*h.*) La Porte devrait s'engager à faire construire sans retard deux nouveaux dépôts douaniers à Mersine, et à renouveler l'estacade devant la douane.

(*i.*) La Porte devrait s'engager à munir sans retard la douane de Jaffa d'une grue pouvant soulever un poids d'au moins 4 tonnes, et de placer cette grue sur un point où les embarcations peuvent accoster même par une mer agitée.

(*j.*) La Porte devrait s'engager à faire prendre dès à présent les dispositions en vue d'améliorer les locaux douaniers à Trébizonde, et de munir cette douane d'un débarcadère, où les mahones puissent accoster.

(*k.*) Les locaux douaniers à Baghdad sont très restreints, et ne suffisent plus aux besoins du commerce de la localité. De même, le débarcadère, qui ne permet que l'accostage d'un seul bateau, se trouve dans un état fort délabré.

La Sublime Porte devrait s'engager à prendre les mesures nécessaires pour l'agrandissement, sans retard, de ces locaux, et de construire un débarcadère d'une longueur suffisante afin de permettre l'accostage d'au moins trois bateaux à la fois. Il serait également nécessaire de munir les locaux douaniers d'un outillage, tel que grues, &c., de nature à faciliter et accélérer les opérations d'embarquement et de débarquement de marchandises à bord des bateaux se trouvant accostés au débarcadère.

2. *Personnel Douanier.*

Il faudrait pourvoir aux augmentations du personnel dans les diverses douanes indiquées dans les paragraphes suivants:—

Il serait nécessaire d'augmenter le nombre des Araidjis (vérificateurs), des Moubassirs (enregistreurs), des Mouhassibs (comptables), des Poussola, et Sened Mouharriris (écrivains des pièces de quittance); d'augmenter le nombre des Iskellé Memouri (receveurs de marchandises) et d'ajouter un nombre suffisant de Veznédars (caissiers) au personnel actuel de la Caisse. Le personnel employé au bureau de l'"Eshiyai Ainié" (perception des droits en nature) doit être augmenté de quelques Mémours (percepteurs), Kiatiba (commis), et au moins de dix portefaix permanents.

Beyrouth.—Quoiqu'une augmentation ait été faite dans les ordres inférieurs du personnel, il y a un manque d'Araidjis, Moubassirs, et de Mouhassibs.

Salonique.—Une augmentation sérieuse est nécessaire dans cette douane, afin de pouvoir faire face aux opérations toujours croissantes de ce port important.

Bussorah.—Aucune augmentation n'a été faite, et il est à espérer que l'Administration veillera à pourvoir cette douane du personnel qui lui est nécessaire.

Alexandrette.—D'après des renseignements reçus, il y aurait toute utilité d'ajouter un certain nombre d'employés au personnel actuel.

Mersine.—Ici on pourrait avantageusement nommer encore un Estimator-Moavini (Estimateur Adjoint).

Trébizonde.—Le poste d'Estimator est vacant depuis assez longtemps, et il serait de toute nécessité de pourvoir à son remplacement.

3. *Hamalage.*

(*a.*) *Constantinople.*—Il résulte du "Règlement sur le Hamalage" annexé à la note verbale de la Sublime Porte en date du 8 Novembre, 1906, que les "hamals" ne se trouvent nullement sous le contrôle de l'Administration Douanière.

Or, il est nécessaire que les "hamals" soient mis sous le contrôle effectif de l'Administration, et que cette Administration prenne sur elle pleine et entière responsabilité pour tout dommage ou retard dont les "hamals" auraient été cause.

(*b.*) Des dommages fréquents résultant de l'emploi par les "hamals" de crochets pointus; il devrait leur être strictement défendu de s'en servir.

(*c.*) Pour le transport de leurs marchandises de la douane dans leurs magasins, les négociants devraient être libres de se servir de leurs propres chariots.

Dans ce cas les "hamals" ne devraient percevoir qu'un seul droit de chargement équivalant au minimum des droits fixés par l'Article 2 du Tarif.

(*d.*) La limite de la première zône est fixée par l'Article 2 du dit Tarif comme étant "le local de la Banque Impériale Ottomane." Il devrait être bien entendu que l'endroit visé par cet Article est l'ancien local de la banque.

(*e.*) Le Tarif n'indique pas le poids que comporte une "charge de sirik." Cette lacune devrait être comblée.

(*f.*) Provision devrait également être faite dans le Tarif pour les droits à percevoir sur les marchandises transportées au moyen de camions.

(*g.*) Le Tarif n'établit aucun taux de transport pour les objets de grand poids, comme les caisses fortes. Il faudrait établir une somme fixe à raison de 100 kilog.

(*h.*) *Smyrne.*—En ce qui concerne le "hamalage" dans l'intérieur des douanes, la Sublime Porte devrait prendre l'engagement que les recettes provenant des taxes de ce "hamalage" seront exclusivement consacrées à ce service, à son perfectionnement et à l'augmentation en cas de besoin de son personnel, ainsi qu'aux modifications du Tarif. A la fin d'une première période de trois ans après son application, ce Tarif devrait être soumis à une revision, afin d'y apporter les modifications dont l'expérience aurait démontré la nécessité. L'Administration Douanière de Smyrne devrait avoir recours à l'avis des commerçants indigènes et étrangers pour l'étude de ces modifications. Le Tarif ainsi revisé devrait aussi être soumis à des revisions quinquennales sous les mêmes conditions.

(*i.*) En ce qui concerne le transport de marchandises en dehors de la douane, les négociants devraient avoir la faculté de se servir de leurs propres moyens de transport en payant la moitié du Tarif du "hamalage" pour la première zone, sans qu'ils soient tenus à s'acquitter envers les "hamals" de quelqu'autre paiement que ce soit.

4. *Heures du Travail.*

A Constantinople même les instructions relatives aux heures de travail ne sont pas entièrement suivies, et dans quelques-unes des douanes principales il n'existe aucunes heures de service fixes. Il faudrait prendre les mesures nécessaires pour assurer la stricte application du Règlement.

5. *Droit d'Ardié.*

(*a.*) Quoique la question de l'"ardié" ait été partiellement résolue, il a été constaté que, malgré les instructions données à ce sujet par la Circulaire de l'Administration en date du 14 (27) Janvier, 1906, le droit d'"ardié" continue à être perçu à la douane des spiritueux à Constantinople sur les marchandises débarquées sur les quais qui ne sont pas emmagasinées dans les dépôts douaniers. Aux protestations qui lui ont été adressées contre l'imposition de cette taxe, le Directeur ("Nazir") de cette douane répond que la perception de l'"ardié" se fait conformément aux instructions qu'il a reçues de l'Administration Centrale, et qu'il ignore les nouvelles dispositions prises à ce sujet.

(*b.*) Les droits d'"ardié" continuent à être perçus à Salonique, même pour les jours fériés.

Il y a lieu d'adresser une Circulaire à toutes les douanes leur ordonnant catégoriquement de faire cesser ces abus.

(*c.*) Le droit d'"ardié" continue à être demandé aux intéressés sur les marchandises séjournant dans les douanes quand le retard est dû à l'impossibilité, vu l'état actuel des services douaniers d'accomplir toutes les formalités et de retirer les marchandises dans les huit jours réglementaires.

Des mesures promptes et efficaces devraient être prises en vue de mettre fin à cet abus.

6. *Opérations Douanières.*

(*a.*) Parmi les opérations douanières, il faut tout spécialement citer le traitement qui est accordé aux chargements de charbon de terre qui sont importés dans les différents ports de l'Empire. Il faut que la Sublime Porte admette formellement le principe de la franchise de tous droits de douane des quantités de charbon de terre livrées des dépôts aux bateaux à vapeur de passage dans un port Ottoman pour l'alimentation de leurs soutes.

(*b.*) *Arrimage dans ces Dépôts.*—Quoique les dépôts douaniers ne puissent nullement suffire aux exigences du commerce, les espaces dans ces dépôts pourraient cependant être mieux utilisés, si un système intelligent et rationnel d'arrimage des marchandises était adopté. A l'heure qu'il est, les portefaix chargés du transport et de l'emmagasinage des marchandises ignorent absolument la façon d'estiver ces marchandises et ne peuvent reconnaître les colis de même marque formant les lots. Les dépôts se trouvent donc encombrés avec un nombre restreint de colis bien inférieur à leur contenance réelle, et les colis sont entassés les uns sur les autres sans ordre, et ceux d'une seule marque appartenant à un lot sont très souvent éparpillés partout dans ces dépôts. Ce désordre produit naturellement des difficultés quand il s'agit de trouver un lot, amène des retards dans la livraison des marchandises réclamées par les commerçants, et empêchent conséquemment l'entrée des nouveaux arrivages dans les dépôts.

Le bon fonctionnement des services d'entreposage étant une des conditions essentielles pour la livraison rapide des marchandises dans des salles de vérification, il est nécessaire qu'un système d'estivage bien défini soit introduit, et que le personnel employé dans ce service soit à la hauteur de cette tâche, bien entendu sous un contrôle aussi intelligent qu'efficace.

(*c.*) *Constantinople. Salles de Vérification.*—L'une des principales causes qui apporte des retards injustifiés dans l'évacuation des marchandises de la douane et dans leur livraison aux propriétaires se trouve aussi dans l'insuffisance des salles de vérification. Comme dans le cas des dépôts, les espaces dans les édifices douaniers consacrés spécialement à la vérification des marchandises, soit à Stamboul, soit à Galata, sont excessivement restreints et ne répondent nullement aux besoins administratifs et commerciaux.

Par suite du désordre qui règne dans le service des dépôts, la livraison des colis de ces dépôts aux salles de vérification se fait péniblement et avec lenteur. Les opérations de vérification même, entourées, comme elles sont aujourd'hui, d'une foule de formalités, se font avec difficulté et s'éternisent, et les salles s'encombrent de colis et caisses à tel point que la circulation devient souvent difficile. Il est incontestable que la vérification des marchandises, qui est une des opérations douanières importantes, doit se faire avec toute la célérité voulue, et rien ne devrait interrompre ou entraver la marche régulière de ce service. Pour pouvoir porter remède à cet état déplorable il faudrait agrandir les salles de vérification et augmenter le nombre de vérificateurs ("Araidjis") et de commis ("Moubassirs").

(*d.*) *Estimation de la Valeur.*—Passant à un autre service, qui, par sa marche défectueuse, apporte aussi des retards dans l'accomplissement des formalités, il faut signaler la lenteur avec laquelle on arrive à déterminer l'estimation de la valeur des marchandises. L'estimation de la valeur de chaque catégorie de marchandises se fait par les "Estimators," et ces valeurs sont inscrites article par article, en chiffres et en toutes lettres, dans les registres tenus par les commis du vérificateur ("Moubassir Defteré"). Ce long travail une fois terminé, le registre est soumis au Directeur de la Douane ("Nazir") pour qu'il fasse le contrôle des estimations. L'examen et le contrôle d'un nombre considérable de ces registres par un seul fonctionnaire, malgré l'activité et bonne volonté dont celui-ci ferait preuve, sans faire allusion aux connaissances aussi vastes qu'exactes qu'il doit posséder dans la matière, prendra nécessairement un temps considérable, et sera toujours la cause de retards inévitables. Or, il semble démontré que la régularité du service et la rapidité de ce contrôle ne peuvent, non plus, dépendre de l'activité d'un seul fonctionnaire, qui est, d'ailleurs, chargé d'autres attributions aussi nombreuses qu'importantes.

Il faudrait nommer un certain nombre d'Adjoints au Directeur pour l'aider dans l'examen et le contrôle des susdits registres.

(*e.*) *Caisse.*—Le Bureau de Perception (Vezné) à la douane de Stamboul est très mal situé pour un des bureaux les plus fréquentés de l'Administration. Il se trouve au fond d'une galerie dont la plus grande partie est occupée par la comptabilité. Le

bureau est mal éclairé et n'a de place que pour un nombre très restreint d'employés et est sous tous les rapports absolument insuffisant aux besoins de ce service très important. Les contribuables s'entassent devant le petit guichet de ce bureau, et dans le vestibule attendent des heures entières avant qu'ils ne puissent faire le paiement de leurs droits. Il importe que ce bureau soit placé dans un endroit plus spacieux et central, et qu'un nombre suffisant de caissiers ("Veznédars") soit ajouté au personnel actuel afin qu'il soit à même d'accomplir, sans retard, les devoirs qui lui sont dévolus.

(*f.*) *Fixation des Taux des Monnaies Étrangères pour le Calcul des Estimations.*—Un des abus les plus flagrants qui se pratiquent dans les douanes se trouve dans les taux exagérés fixés pour les calculs de la conversion des monnaies étrangères en monnaie Turque, lorsqu'il s'agit de l'estimation de la valeur d'une marchandise. Il appert que les taux adoptés sont les suivants :—

	Piastres Or.
Le £ sterling	132
„ marc	6·75
„ franc	5·10

Les taux fixés pour ces monnaies sont en général de 12 à 15 pour cent, et même de 20 pour cent, en sus de leur valeur officielle, et rien ne le justifie.

Pour en donner un exemple :—

Des marchandises évaluées par la douane à 100*l.* sont taxées :—

	Piastres Or.
100*l.* sterling à 132 piastres or	13,200
Droits de douane à 8 pour cent moins le 10 pour cent	950
Tandis que la valeur de 100*l.* sterling, à 110 piastres or, est	11,000
Et le droit de douane est	792

Ce taux exagéré est encore susceptible d'augmentations assez fortes lorsqu'il s'agit de l'estimation de la valeur des articles de luxe et de fantaisie, et l'élasticité donnée à cette procédure ne peut induire qu'à croire qu'elle a été adoptée dans le but d'obliger les commerçants de payer la taxe douanière en nature sur ces articles. Il faudrait mettre fin une fois pour toutes à un système si peu justifiable, et fixer le taux de la conversion des monnaies étrangères en rapport avec leur valeur réelle en monnaie du pays.

(*g.*) Les formalités se rattachant au dédouanement des marchandises sont partout démesurément nombreuses, dépassant le chiffre de vingt. La Porte devrait s'engager à en réduire le nombre.

(*h.*) Des ordres sévères et catégoriques devraient être donnés pour que seulement un nombre limité de boîtes hermétiquement fermées, ou de bouteilles dans un lot, soit ouvert ; et dans le cas où le nombre des boîtes ou des bouteilles ouvertes atteindra 1 pour cent de la totalité du lot, la douane serait obligée d'accepter les boîtes ou bouteilles ainsi ouvertes en payement des droits en nature.

(*i.*) Les formalités se rattachant au dédouanement des colis postaux sont démesurément longues et coûteuses.

Il faudrait s'aviser à des mesures aptes à les accélérer et à en diminuer les frais.

7. *Droit de Pesage.*

Des dispositions devraient être prises pour que les marchandises qui doivent être pesées soient pesées au moment même où elles entrent en magasin, et cela sans les grever d'aucun frais.

8. *Aucune Solution satisfaisant n'a été encore donnée à la question des Échantillons des Commis-voyageurs.*

Cette lacune devrait être comblée, et communication faite à l'Ambassade des dispositions prises à cet égard.

(Translation.)

Aide-Mémoire addressed to Tewfik Pasha by Sir N. O'Conor.

1. *Custom-house Premises.*

(*a.*) It would be desirable either to erect sufficiently large sheds at the Stamboul custom-house as a temporary measure pending the construction of the new permanent buildings, or to give immediate effect to the agreement between the Sublime Porte and the Quay Company, relative to the construction of these new permanent buildings without delay.

(*b.*) Pending the construction of new depôts at Salonica, temporary sheds should be built there, and the space between the first and second warehouse should be roofed in.

(*c.*) As a temporary measure, pending the construction of permanent buildings at Jaffa, the space in front of the custom-house should be roofed in.

(*d.*) The Porte should promise to replace without delay the three old cranes now in use at Salonica by four steam cranes, each strong enough to raise a weight of at least three tons.

(*e.*) The Porte should promise to take at once the necessary steps to enable the construction of new custom-houses to be begun at Stamboul, Galata, Smyrna, Beirut, and Salonica.

(*f.*) The Porte should promise to take measures without delay to establish Customs buildings at Bussorah, to build a quay, and to dredge the canal which passes in front of the Customs offices, in order to render the Customs service better fitted to grapple with the very important trade of that port.

(*g.*) The Porte should promise to cause measures to be taken without delay for the construction of new warehouses at Alexandretta so as to replace the present landing stage by a quay strong and long enough to meet the requirements of trade.

(*h.*) The Porte should promise to erect, without delay, two new Customs depôts at Mersina, and to put up a fresh fence in front of the custom-house.

(*i.*) The Porte should promise to supply the custom-house at Jaffa, without delay, with a crane sufficiently strong to raise a weight of at least four tons, and to place it where boats can come alongside even when the sea is rough.

(*j.*) The Porte should promise to cause at once the necessary steps to be taken to improve the custom-house premises at Trebizond, and to supply that custom-house with a landing stage where lighters can come alongside.

(*k.*) The Customs premises at Bagdad are very small, and do not meet the requirements of the trade of the place. The landing-stage, too, which only allows of one vessel coming alongside at a time, is in a very dilapidated condition.

The Sublime Porte should promise to take the necessary measures for enlarging, without delay, these premises, and constructing a landing-stage of sufficient length to allow of at least three vessels coming alongside at a time. It would be also necessary to supply the Customs premises with machinery, such as cranes, &c., for the purpose of facilitating and accelerating the work of shipping and unshipping goods on the vessels moored alongside the landing-stage.

2. *Custom-house Staff.*

Provision should be made for increasing the staff in the different custom-houses named in the following paragraphs:—

It would be necessary to increase the number of Araijis (examiners), Mubassirs (registrars), Muhassibs (accountants), Pussola and Sened Muharriris (writers of receipts). To increase the number of Iskele Memuri (receivers of goods) and add a sufficient number of Veznedars (cashiers) to the present staff of the financial department. The staff employed at the office of the "Eshiyai Ainié" (collection of duties in kind) should be increased by some Memurs (collectors), Kiatibs (clerks), and at least ten permanent porters.

Beirut.—Although the lower grades of the staff have been increased, there is a lack of Araijis, Mubassirs, and Muhassibs.

Salonica.—A large increase is necessary at this custom-house in order to cope with the continually increasing work at this important port.

Bussorah.—No increase has taken place, and it is to be hoped that the Administration will be careful to provide this custom-house with the staff which it needs.

Alexandretta.—According to information received, it would be most useful to add a certain number of employés to the present staff.

Mersina.—Here another Estimator-Moavini (assistant appraiser) might be appointed with advantage.

Trebizond.—The post of Estimator has been vacant for some time, and it is most necessary to fill it.

3. *Porterage.*

Constantinople (*a*).—It appears from the "Porterage Regulations" inclosed in the Sublime Porte's *note verbale* of the 8th November, 1906, that the "hamals" are in no way controlled by the Customs Administration.

But, it is necessary that the "hamals" should be placed under the effective control of the Administration, and that the Administration should assume full and entire responsibility for all loss or delay caused by the "hamals."

(*b.*) Frequent losses result from the use by the "hamals" of pointed hooks, and they should be strictly forbidden to employ them.

(*c.*) Merchants should be free to use their own waggons to transport their goods from the custom-house to their warehouses.

In that case the "hamals" should only charge a loading due equal to the minimum due fixed by Article 2 of the Tariff.

(*d.*) The limit of the first zone is fixed by Article 2 of the Tariff as "the premises of the Imperial Ottoman Bank." It should be clearly understood that the spot meant by this Article is the former premises of the bank.

(*e.*) The Tariff does not state what weight is meant by a "Sirik load." This omission should be supplied.

(*f.*) Provision should also be made in the Tariff for the dues to be charged on goods transported on drays.

(*g.*) The Tariff fixes no rate for the transport of very heavy articles, such as safes. A regular sum per 100 kilog. should be fixed.

(*h.*) *Smyrna.*—In regard to porterage inside the Customs, the Sublime Porte should agree that the receipts accruing from the "hamalage" dues shall be exclusively devoted to this service, to its improvement, and to the increase, when necessary, of its staff, as well as to the modifications to be made in the Tariff. At the end of a first period of three years after its application, this Tariff should be subjected to a revision, in order that the modifications which experience has shown to be necessary may be introduced. The Customs Administration of Smyrna should consult native and foreign merchants respecting examination of these modifications. The revised Tariff should also be subjected to revision every five years under the same conditions.

(*i.*) In regard to the transport of goods from the Customs, traders should be allowed to use whatever means of transport suit them best, paying half the porterage Tariff for the first zone, without being obliged to make any payment whatever to the "hamals."

4. *Hours of Work.*

Even at Constantinople the instructions relative to hours of work are not strictly followed, and in some of the provincial custom-houses there are no fixed office hours at all. The necessary measures should be taken to insure the strict application of the regulations.

5. "*Ardie*" *Dues.*

(*a.*) Although the question of the "ardie" has been partially settled, it has been established that, in spite of the instructions given on this subject by the Circular of the Administration of the 14th (27th) January, 1906, the "ardie" due is still charged at the spirituous liquors custom-house at Constantinople on goods discharged on the quays which are not stored in the Customs storehouses. The Director ("Nazir") of the custom-house has replied to the protests addressed to him against the imposition of this tax that the collection of the "ardie" takes place in conformity with the instructions which he has received from the Central Administration, and that he is not aware of the new instructions issued on the subject.

(*b.*) "Ardie" dues are still charged at Salonica, even on holidays.

A Circular should be addressed to all the custom-houses, giving them categorical instructions to put an end to this abuse.

(*c.*) "Ardie" dues are still demanded from the interested parties on goods which are left in the custom-houses when the delay is due to the impossibility in the present state of the Customs service of carrying out all the formalities, and of removing the goods within the regulation eight days.

Prompt and effective measures should be taken to put an end to this abuse.

6. *Customs Operations.*

(*a.*) Among Customs operations the treatment meted out to shipments of coal imported into different ports of the Empire should be specially mentioned.

The Sublime Porte must formally accept the principle of the exemption from all customs duties of coal delivered by the depôts to steamers of passage at an Ottoman port for the use of the vessel.

(*b.*) *Storage in the Storehouses.*—Although the Customs storehouses by no means suffice for the needs of trade, the space in them might be used to greater advantage if an intelligent and rational system of storage were adopted. At present the porters to whom the transport is intrusted have no idea of how to compress these goods, and are unable to recognize pieces with the same marks belonging to the same consignment. The storehouses are thus encumbered with a limited number of pieces, much smaller than that which they are capable of containing, and the pieces are piled in disorder one upon another, those belonging to the same consignment being often scattered all over the storehouses. This disorder is naturally the cause of difficulties when a consignment has to be found, it occasions delay in the delivery of goods claimed by merchants, and consequently prevents new shipments from being dealt with.

The smooth working of the warehousing service being an essential condition of the prompt delivery of goods in the examining rooms, a well-arranged system of compression should be introduced, and the staff employed on this work should be capable of performing it properly, of course, under intelligent and effective direction.

(*c.*) *Constantinople.—Examining rooms.*—One of the chief causes of unnecessary delay in the clearing of goods from the custom-house and their delivery to their owners is to be found also in the inadequacy of the examining rooms. As in the storehouses, the space in the custom-house buildings devoted to the examination of goods, both at Stamboul and at Galata, is excessively scanty, and by no means sufficient for administrative and commercial necessities.

In consequence of the disorder which prevails in the storehouse service, the removal of goods from the storehouses to the examining rooms takes place slowly and with difficulty. Even the work of examination, obstructed, as it now is, with numerous formalities, is difficult and exceedingly slow, and the rooms are crowded with goods and cases to such an extent that it is often difficult to move in them. It cannot be denied that the examination of goods, which is an important Customs operation, should take place with all desirable speed, and nothing should interrupt or impede the regular course of this work. To remedy this deplorable state of things, the examining rooms should be enlarged, and the number of examiners (Araijis) and clerks (Mubassirs) increased.

(*d.*) *Appraisement.*—Passing to another branch which, by its defective operation, also causes delay in the discharge of formalities, slowness in the appraisment of goods must be mentioned. The valuation of each class of goods is performed by the "Estimators," and the values are entered, article by article, in figures and in letters, in the registers kept by the valuer's clerk (Mubassir defteri). When this long work is finished, the register is submitted to the Director of the Customs (Nazir), so that he may verify the valuations. The examination and verification of a considerable number of these registers by one official, in spite of the activity and diligence which he may display, not to mention the wide and accurate knowledge of the subject which he must possess, must necessarily take a good time, and will always be the cause of inevitable delay. It seems, therefore, clear that the regularity of this work and the speed of the verification cannot depend upon the activity of a single official, who has, besides, a number of other important duties.

A certain number of assistant Directors should be appointed to help in the examination and verification of these registers.

(*e.*) *Financial Department.*—The collector's office (Vezné) at the Stamboul custom-house is very ill-placed for one of the most crowded offices of the Administration. It

is at the end of a passage, the greater part of which is occupied by the accountant's department. The office is badly lighted, only has room for a very limited number of clerks, and is in all respects quite insufficient for the needs of a very important branch. The people who have to pay are crowded in front of the little window of the office, and wait for hours in the ante-room before they can pay their duties. This office must be placed in a more spacious and central position, and a sufficient number of cashiers (Veznedars) must be added to the present staff to enable it to accomplish, without delay, the duties which it has to perform.

(*f.*) *Fixing of the Rate of Exchange of Foreign Currencies for Valuation Purposes.*—One of the most flagrant abuses practised in the custom-houses consists in the extravagant rates fixed for the calculation of the exchange from foreign currencies into Turkish money when goods are to be valued. The rates adopted are shown to be as follows:—

£ sterling	132	piastres	gold
Mark	6·75	„	„
Franc	5·10	„	„

The rates fixed for these coins are generally from 12 to 15 per cent., and even 20 per cent., above their official value, and are unjustifiable.

For example:—

Goods valued by the Customs at 100*l.* are made to pay duty:—

£100 at 132 piastres gold	13,200	piastres
Customs duty at 8 per cent. less the 10 per cent.	950	„
whereas the value of 100*l.* and 110 piastres gold is	11,000	„
and the customs duty is	792	„

This extravagant rate can yet be even considerably increased in case of the valuation of articles of luxury or fancy goods, and the elasticity with which this process is invested cannot but lead to the conclusion that it has been adopted to force traders to pay customs duties on articles in kind. So unjustifiable a system should be at once put an end to, and the rate of exchange of foreign currencies should be proportioned to their real value in the money of the country.

(*g.*) The formalities incidental to the clearing of goods are disproportionately numerous, amounting to more than twenty. The Porte should pledge itself to reduce their number.

(*h.*) Strict and categorical orders should be given that only a limited number of hermetically sealed boxes or bottles in a consignment should be opened; and if the number of boxes or bottles opened amounts to 1 per cent. of the total of the consignment, the Customs should be obliged to accept the boxes or bottles thus opened as payment in kind.

(*i.*) The formalities incidental to the clearing of postal packets are disproportionately long and costly.

Measures should be devised to expedite them and diminish their cost.

7. *Weighing dues.*

Steps should be taken to have goods to be weighed dealt with at the moment of their arrival in the warehouse and without expense.

8. *No satisfactory solution of the question of Commercial Travellers' Samples has yet been arrived at.*

This omission should be supplied and the steps taken in the matter should be communicated to the Embassy.

No. 130.

Sir N. O'Conor to Sir Edward Grey.—(Received March 8.)

Sir, *Constantinople, March 4, 1907.*

WITH reference to my despatch of the 27th ultimo, I have the honour to report that, just as the post is leaving, I have received a note from the Ottoman Minister for Foreign Affairs, informing me that the demands formulated in the *aide-mémoire* inclosed in my note to him of the 27th ultimo, relative to the improvements and reforms in the Turkish custom-houses, have been approved by the Council of Ministers and invested with the Imperial sanction.

I transmit herewith copy of this note without comment; but I understand that the decisions which have been adopted by the Porte for the immediate execution of the reforms will be set forth in the collective note which is being addressed to the doyen of the Diplomatic Corps, and that the Imperial Ottoman Government will in this communication press for the consent of the Powers to the 3 per cent. increase in the customs duties.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 130.

Note communicated by Tewfik Pasha to Sir N. O'Conor.

Sublime Porte, le 4 Mars, 1907.

J'AI eu l'honneur de recevoir la note que votre Excellence a bien voulu m'adresser le 27 Février dernier, relativement à la question de la majoration de 3 pour cent des droits d'entrée en Turquie.

L'aide-mémoire qui s'y trouve annexé, et dont copie avait été officieusement remise à son Excellence Hassan Fehmi Pacha, a été l'objet de la plus sérieuse attention du Gouvernement Impérial, qui l'a fait soigneusement étudier à la Direction Générale des Contributions Indirectes avec le concours obligeant de l'Attaché Commercial de l'Ambassade de Sa Majesté Britannique. Le résultat des études ainsi faites et les projets de Règlements préparés d'un commun accord viennent d'être approuvés par le Conseil des Ministres et revêtus de la sanction Impériale.

Notification officielle en est faite aujourd'hui même aux Représentants des Six Grandes Puissances.

Toutes les décisions formant l'objet de cette notification seront immédiatement appliquées et exécutées avec la plus scrupuleuse exactitude. Quant aux édifices douaniers, comme votre Excellence le fait justement remarquer, leur achèvement demanderait un certain laps de temps, mais la Sublime Porte prend l'engagement formel de les terminer dans le plus court délai possible.

Le Gouvernement Impérial a été heureux de fournir à l'Ambassade de Sa Majesté Britannique une nouvelle preuve de déférence en réglant les questions douanières mises à l'ordre du jour d'une façon conforme aux désirs qui lui ont été exprimés et en mettant ainsi le commerce international à même de jouir de facilités et d'avantages appréciables. Il espère que le Gouvernement de Sa Majesté le Roi, de son côté, ne manquera de nous notifier son acceptation définitive afin que la majoration douanière puisse entrer en vigueur dans le plus bref délai.

Veuillez, &c.
(Signé) TEVFIK.

(Translation.)

Sublime Porte, March 4, 1907.

I HAVE had the honour to receive the note which your Excellency was good enough to address to me on the 27th February last, relative to the question of the 3 per cent. increase of the import duties into Turkey.

The annexed *aide-mémoire*, a copy of which was semi-officially communicated to his Excellency Hassan Fehmi Pasha, has received the most serious consideration on the part of the Imperial Government, who have caused it to be carefully examined at the Direction Générale des Contributions Indirectes, with the kind assistance of the Commercial Attaché to His Britannic Majesty's Embassy. The measures to be taken

as a result of this examination, and the draft Regulations jointly prepared, have just been approved by the Council of Ministers, and have received the Imperial sanction.

The official notification will be made to-day to the Representatives of the Six Great Powers.

The decisions which form the subject of this notification will be at once applied and carried out with the most scrupulous exactitude. In regard to customs buildings, as your Excellency justly remarked, some time must elapse before they can be ready, but the Sublime Porte formally undertakes to complete them with the least possible delay.

The Imperial Government have been happy to furnish to the Embassy of His Britannic Majesty a fresh proof of their goodwill in settling the customs questions under discussion in accordance with requirements frequently brought to their notice, and in thus affording international commerce important facilities and advantages. They trust that the Government of His Majesty the King, on their part, will not fail to notify to them their final acceptance, so that the customs increase may come into force at the earliest possible moment.

Accept, &c.
(Signed) TEWFIK.

No. 131.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, March* 11, 1907.

MY telegram of the 25th and your despatch of the 27th ultimo.

With reference to the last paragraph of your note to Tewfik Pasha, you should bear in mind that His Majesty's Government regard their continued consent to the customs increase as dependent on the faithful observance of the conditions set forth in my telegram of the 25th February.

His Majesty's Government consider it of the utmost importance that these conditions should be clearly enunciated, and you should set forth in any future communications you may address to the Ottoman Government the reservations which we desire to make in the words of that telegram.

No. 132.

Sir N. O'Conor to Sir Edward Grey.—(*Received March* 15.)

Sir, *Constantinople, March* 9, 1907.

WITH reference to my despatch of the 4th instant, forwarding copy of the note which I had received that day from the Minister for Foreign Affairs, I have the honour to transmit herewith copy of the collective *note verbale*, and of its inclosures, addressed on the same day by the Sublime Porte to the Representatives of the Six Great Powers, informing them of the new Regulations issued and of the measures adopted by the Imperial Ottoman Government with a view to carrying out the reforms and improvements in the Turkish custom-houses which were set forth in the *aide-mémoire* officially communicated by His Majesty's Embassy, approved by the Council of Ministers, and sanctioned by Imperial Iradé.

The *note verbale* follows the lines of our *aide-mémoire* and deals with the several points of our desiderata explaining the measures which are to be taken to meet our requirements in each case. The note also incloses, besides the Turkish text, French translations of the new Regulations for custom-house operations ("Règlement Douanier"), the new Regulations and Tariffs for the "hamalage" at Smyrna and Constantinople, and a list of the custom-houses where the personnel is to be increased, with details of the additional monthly expenditure which will thereby be incurred.

As the *note verbale* had omitted to deal with our demand for improved Customs accommodation at Bagdad, with the exception of an undertaking to erect cranes, I brought this omission to the notice of the Minister for Foreign Affairs, who, in a note of the 9th instant, has given me positive assurances that the necessary improvements at Bagdad, including the construction of a suitable wharf sufficient to accommodate three steamers at a time, will be carried out as soon as the plans prepared by the local

authorities have reached the Central Government. I inclose copy of Tewfik Pasha's note, as well as copy of the complementary *note verbale*, on the subject of the improvements at Bagdad, which was addressed by the Sublime Porte to the Representatives of the Six Powers on the 9th instant.

I have further the honour to forward herewith copy of the circular instructions which I have addressed to His Majesty's Consular officers at all the ports concerned, informing them of the improvements which the Imperial Ottoman Government has undertaken to effect at the different custom-houses within their respective jurisdictions, and inclosing copy of the new "Règlement Douanier." I have requested them to inform me by telegraph of the steps taken by the local authorities to carry out these instructions of the Sublime Porte and to furnish me with weekly reports in regard to the progress of the Customs reforms.

The new Regulations issued by the Ottoman Government are being carefully examined by His Majesty's Embassy and the French translations compared with the Turkish text, and I hope shortly to be able to furnish you with a Memorandum fully explaining the measures which the Central Customs Administration has undertaken to adopt and the effect which has been given to the demands formulated in our *aide-mémoire*.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 132.

Note verbale communicated by the Ottoman Government to the Representatives of the Six Great Powers.

POUR faire suite à ses communications des 9 Novembre et 18 Décembre dernier, relativement aux conditions auxquelles les Six Grandes Puissances subordonnent la majoration douanière de 3 pour cent, la Sublime Porte a l'honneur d'informer leurs Excellences les Ambassadeurs d'Allemagne, de Russie, d'Angleterre, de France, d'Autriche-Hongrie, et le Chargé d'Affaires d'Italie que les études entreprises depuis quelque temps à la Direction Générale des Contributions Indirectes sur certaines matières douanières indiquées dans un aide-mémoire communiqué par l'Ambassade de Sa Majesté Britannique, d'abord officieusement et ensuite par une note en date du 27 Février écoulé, ont abouti à l'élaboration et à l'adoption de plusieurs Règlements et mesures nouvelles qui, sur une décision du Conseil des Ministres, viennent d'être sanctionnés par Iradé de Sa Majesté Impériale le Sultan.

Ces récentes décisions complètent les dispositions précédemment prises au sujet des douanes de l'Empire et se rapportent aux points suivants :—

1. *Locaux Douaniers.*

1. En attendant la construction des édifices des douanes de Stamboul, un magasin y a été provisoirement construit pour éviter l'encombrement des marchandises.

2. Le Gouvernement Impérial s'est entendu avec la Société des Quais pour la construction des édifices des douanes et des entrepôts de Stamboul et de Galata. Il s'engage donc à faire commencer au plus tôt les travaux de ces constructions.

3. La Direction Générale des Contributions Indirectes a reçu l'ordre, en attendant la construction des douanes de Salonique, d'y faire établir un magasin provisoire pour y mettre certaines catégories de marchandises.

4. La dite Direction Générale a également reçu l'ordre d'élargir le local douanier de Jaffa en couvrant une place ouverte y attenante et d'y établir une échelle permettant aux embarcations l'embarquement et le débarquement en tout temps des marchandises.

5. Il a été décidé de pourvoir les douanes de Salonique, Jaffa, Bassorah, et Bagdad d'élévateurs de système nouveau pour faciliter les opérations d'embarquement et de débarquement.

6. Les constructions douanières de Smyrne commenceront aussitôt que les formalités en cours de leurs adjudications seront terminées.

A Trébizonde les travaux de construction des locaux douaniers ont commencé. Ceux de Salonique commenceront aussitôt que les questions techniques surgies à

cause de leur installation, sur les quais, seront réglées par la Commission formée à cet effet.

Quant aux locaux douaniers de Beyrouth, une entente à ce sujet devant s'établir avec les Sociétés des ports de cette ville, la Direction Générale des Contributions Indirectes a reçu l'ordre de hâter l'examen de cette question pour qu'on puisse procéder au plus tôt aux constructions projetées.

7. La douane de Bassorah sera reconstruite. Les travaux en seront ordonnés aussitôt que les devis et plans y relatifs déjà expédiés par les autorités locales seront reçus à la Direction Générale des Contributions Indirectes.

8. Les locaux douaniers d'Alexandrette viennent d'être réparés. La Direction locale a également reçu l'ordre d'en réparer et prolonger l'échelle et d'y construire un nouveau magasin.

9. La Direction locale a reçu l'ordre de réparer la douane de Mersine et d'y construire trois nouveaux magasins. Il y sera établi une nouvelle échelle.

10. La Direction Générale des Contributions Indirectes a été chargée de faire établir une nouvelle échelle pour les douanes de Trébizonde.

Toutes les constructions et améliorations mentionnées ci-dessus devant nécessairement exiger quelque temps pour leur achèvement, la Sublime Porte prend l'engagement formel de faire le nécessaire pour en hâter les travaux afin de les terminer dans le délai le plus court possible.

2. *Personnel Douanier.*

Le Gouvernement Impérial avait déjà, l'année passée, augmenté le personnel de certaines douanes et avait inscrit à cet effet une somme annuelle de 1,200,000 piastres environ au budget des dépenses douanières. L'expérience ayant montré la nécessité d'une nouvelle augmentation du personnel, il a été décidé de procéder à la nomination de 245 nouveaux employés pour plusieurs des douanes de la capitale et des provinces et d'augmenter dans une certaine mesure les allocations du personnel existant, ce qui nécessite l'augmentation dudit budget d'une nouvelle somme mensuelle de 133,875 piastres. La liste ci-annexée contient l'exposé des détails des augmentations qui viennent d'être ordonnées (Annexe I).

3. *Hamalage.*

(*a.*) *Constantinople.*—Un Règlement spécial remaniant considérablement le Règlement et le Tarif existants vient d'être établi par Iradé Impérial pour le service de hamalage dans les douanes de Stamboul et de Galata. Le Règlement modifié tient largement compte des desiderata du commerce en mettant les hamals sous le contrôle des autorités Douanières, en réglementant tous les détails du Tarif de façon à éviter les malentendus qui pourraient se produire sous le régime de l'ancien Règlement, et en fixant le mode de l'indemnisation des commerçants pour les pertes causées par les hamals des douanes. En outre, nombre de nouvelles dispositions ont été introduites dans le Règlement pour répondre aux désirs exprimés dans l'intérêt du commerce.

La Direction Générale des Contributions Indirectes a, en outre, pris des mesures efficaces pour satisfaire le commerce sur certains détails du service, tel que l'emploi de crochets pointus.

(*b.*) *Smyrne.*—Le hamalage de Smyrne aussi a fait l'objet d'un nouveau Règlement sanctionné par Iradé Impérial. Ce nouveau Règlement comporte une nouvelle réduction du tarif de hamelage pour quelques articles de provenance étrangère et un tarif plus réduit y est ajouté pour les marchandises d'importation que les commerçants désireraient se faire livrer à la porte des douanes pour les transporter par leurs propres moyens.

Les deux Règlements nouveaux, ainsi que le Tarif nouveau* pour Smyrne, se trouvent ci-annexés en copies (Annexes II et III).

4. *Règlement Douanier.*

Un nouveau Règlement contenant certaines matières douanières vient d'être sanctionné par Iradé Impérial et se trouve également ci-annexé en copie (Annexe IV). Il fixe les heures du travail dans les douanes de l'Empire d'une façon plus conforme aux exigences du service et réglemente un mode plus précis du calcul des droits d'Ardié.

* In Turkish, not printed.

Il contient une solution radicale et tout à l'avantage de la navigation de la question du droit d'entrée des charbons de terre de provenance étrangère, réglemente l'arrimage dans les dépôts douaniers, et fournit des indications précises pour les estimations en douane, ainsi que pour le calcul des prix indiqués dans les factures. Le nouveau Règlement diminue, en outre, le nombre des opérations douanières au minimum strictement nécessaire, garantit les commerçants contre les pertes que la vérification des boîtes et bouteilles hermétiquement fermées pourrait leur causer dans certaines circonstances déterminées et donne à la Direction Générale des Contributions Indirectes le pouvoir nécessaire pour raccourcir considérablement les formalités de dédouanement des colis postaux.

Enfin, le régime douanier des marchandises accompagnant les voyageurs de commerce est aussi fixé par un Règlement spécial revêtu de la sanction Impériale et conçu de manière à apporter les plus grandes facilités pour leur dédouanement et pour la restitution des droits à leur réexportation. Ce Règlement spécial aussi est annexé en copie à la présente communication (Annexe V).

En outre des matières ainsi réglementées, un certain nombre de questions de détail, ayant donné lieu à des plaintes, viennent d'être réglées par la Direction Générale des Contributions Indirectes. Ainsi, les employés de la section des perceptions en nature et ceux de la Caisse sont augmentés, le local de la Caisse à Stamboul est changé et des ordres sévères sont donnés à qui de droit pour ne plus donner lieu aux plaintes qui se sont élevées relativement à la gratuité des pesages en douane.

Pour résumer, la Sublime Porte se permet d'attirer la bienveillante attention des Représentants des Six Grandes Puissances sur l'ensemble des mesures et réglementations précitées déjà entrées en exécution et ne doute pas que leurs Excellences n'apprécient à sa juste valeur l'importance de l'effort et des sacrifices que le Gouvernement Impérial n'a cessé de déployer et d'assumer pour satisfaire les demandes formulées au nom des intérêts commerciaux, et les prie, par conséquent, de vouloir bien lui notifier le consentement définitif de leurs Gouvernements pour que la majoration douanière puisse être mise en application dans le plus court délai possible.

Ministère des Affaires Étrangères,
le 4 Mars, 1907.

[Annexes I to V will be found in Appendix No. 2, pp. 223–233.]

(Translation.)

WITH reference to its communications of the 9th November and the 18th December last, relative to the conditions subject to which the Six Great Powers are prepared to accept the 3 per cent. customs increase, the Sublime Porte has the honour to inform their Excellencies the German, Russian, British, French, and Austro-Hungarian Ambassadors and the Italian Chargé d'Affaires that the recent examination by the Direction Générale des Contributions Indirectes of certain customs questions referred to in an *aide-mémoire* communicated by His Britannic Majesty's Embassy, at first semi-officially, and then in a note of the 27th February last, have resulted in the preparation and adoption of several Regulations and new measures, which, by a decision taken by the new Council of Ministers, have just been sanctioned by Iradé of His Imperial Majesty the Sultan.

These recent decisions complete the provisions which have already been taken in regard to the Imperial customs, and deal with the following points:—

1. *Customs Premises.*

1. A temporary warehouse has been erected pending the construction of customs buildings at Stamboul, to make more room for the storing of goods.

2. The Imperial Government have come to an understanding with the Quays Company for the construction of customs buildings and depôts at Stamboul and Galata. They therefore undertake to commence work on these buildings at the earliest possible moment.

3. The Direction Générale des Contributions Indirectes has received instructions, pending the erection of a custom-house at Salonica, to establish a temporary warehouse at that port for storing certain categories of goods.

4. The said Direction Générale has also been instructed to enlarge the customs premises at Jaffa by roofing in an adjoining open space, and to put up a wooden pier, which will enable boats to load and unload goods whenever they please.

5. It has been decided to supply the customs of Salonica, Jaffa, Bussorah, and Bagdad with cranes of a new design to facilitate the task of shipping and unshipping.

6. The customs buildings at Smyrna will be begun as soon as the formalities connected with the placing of contracts have been completed.

At Trebizond the work of constructing customs premises has been begun. The Salonica customs premises will be commenced as soon as the technical questions in regard to their installation on the quays have been settled by the Commission appointed for the purpose.

As regards the customs premises at Beyrout, an understanding will be come to with the Harbour Companies of that town, and the Direction Générale des Contributions Indirectes has received instructions to proceed at once with the examination of this question in order that the buildings to be erected may be commenced at the earliest possible moment.

7. The Bussorah custom-house will be rebuilt. The work will be put in hand as soon as the estimates and plans which have already been forwarded by the local authorities reach the Direction Générale des Contributions Indirectes.

8. The customs premises at Alexandretta have just been repaired. The local Direction has also been instructed to carry out the necessary repairs, to lengthen the wooden pier, and to erect a new warehouse.

9. The local Direction has been instructed to repair the custom-house at Mersina and to erect three new warehouses there. A new wooden pier will be put up.

10. The Direction Générale des Contributions Indirectes has been instructed to put up a new wooden pier at the Trebizond custom-house.

As some time will necessarily elapse before the completion of all the above constructions and improvements, the Sublime Porte formally agrees to take the necessary steps to push forward the works, so that they may be completed with the least possible delay.

2. *Customs Staff.*

The Imperial Government had already last year increased the staff of certain custom-houses, and had granted for this purpose an annual sum of about 1.200,000 piastres to the Budget of Customs expenditure. Experience having shown the need for a fresh increase in the staff, it has been decided to proceed with the appointment of 245 fresh employés at several of the custom-houses of the capital and the provinces, and to increase to some extent the grant for the existing staff; this necessitates the increase of the said Budget by a fresh monthly sum of 133,875 piastres. The annexed list contains a statement of the details of the increase which has just been decreed (Appendix 2, Annex I).

3. *Porterage.*

(*a.*) *Constantinople.*—A special Regulation, providing for considerable rearrangements in the existing Regulation and Tariff, has just been fixed by Imperial Iradé for the porterage service in the Stamboul and Galata custom-houses. The modified Regulation has been drafted with a view to giving the fullest satisfaction to the commercial desiderata by placing the porters under the Customs authorities, by regulating all the details of the Tariff so as to avoid misunderstandings which might have arisen when the old Regulation was in force, and by fixing the manner of compensating merchants for losses caused by the customs porters. In addition, many new provisions have been introduced into the Regulation to satisfy the requirements of commerce.

The Direction Générale des Contributions Indirectes has, moreover, taken effectual steps to meet the requirements of traders in regard to certain details of the service, such as the use of pointed hooks.

(*b.*) *Smyrna.*—The porterage at Smyrna has also formed the subject of a new Regulation sanctioned by Imperial Iradé. This new Regulation involves a fresh reduction of the porterage Tariff for certain articles of foreign make, and a reduced Tariff is added for goods to be imported which merchants wish to have delivered to them at the doors of the custom-house in order to remove them in the manner most convenient.

The two new Regulations, as well as the new Tariff for Smyrna, are annexed in copy (see Appendix II, Annexes 2 and 3).

4. *Customs Regulations.*

A fresh Regulation dealing with certain customs matters has just been sanctioned by Imperial Iradé, and is also annexed in copy (Appendix 2, Annex IV). It fixes the hours of work in the custom-houses of the Empire in a manner more in accordance with the requirements of the service, and provides for a more accurate method of fixing the ardié (storage) dues. It contains a definitive solution, entirely in the interests of shipping, of the question of the entry duties on coal coming from abroad, regulates the storage in the customs depôts, and lays down specific instructions for the appraisement at the customs, as well as for the calculation of prices entered on the invoices. The new Regulation moreover reduces the number of customs operations to the strict minimum, guarantees merchants against the losses which the examination of hermetically sealed cases and bottles may inflict upon them in certain specific circumstances, and gives the Direction Générale des Contributions Indirectes the necessary power for considerably abridging the formalities connected with getting parcels sent by post through the customs.

Lastly, the customs régime for goods carried by commercial travellers is also fixed by a special Regulation which has received the Imperial sanction, and is so worded as to provide the most extensive facilities for getting goods through the customs and for the repayment of deposits paid at the time of re-exportation. A copy of this special Regulation is annexed to the present communication (Appendix 2, Annex V).

In addition to the questions thus regulated, a certain number of questions of detail, having given rise to complaints, have just been regulated by the Direction Générale des Contributions Indirectes. For instance, the employés in the Department whose duty it is to levy duties in kind and those in the Financial Department are increased, the office occupied by the Financial Department at Stamboul has been changed, and stringent orders have been given to the parties concerned to give no further ground for the complaints which were made in regard to the weighing charges at the customs.

To sum up, the Sublime Porte begs to call the attention of the Representatives of the Six Great Powers to the collective measures and Regulations above mentioned actually in force, and it is convinced that their Excellencies will appreciate at its true value the importance of the efforts and sacrifices which the Imperial Government have not ceased to make in order to satisfy the demands formulated in the name of commercial interests, and begs them, consequently, to be so good as to notify to it the final assent of their Governments, so that the customs increase may be applied with the least possible delay.

Ministry for Foreign Affairs,
March 4, 1907.

Inclosure 2 in No. 132.

Tewfik Pasha to Sir N. O'Conor.

M. l'Ambassadeur, *Ministère des Affaires Étrangères, le 9 Mars,* 1907.

POUR faire suite à ma note responsive du 4 courant relative aux engagements pris par le Gouvernement Impérial en connexité avec la majoration douanière de 3 pour cent, j'ai l'honneur d'informer votre Excellence qu'il a été aussi décidé de réparer et d'agrandir les locaux douaniers de Bagdad et de doter les douanes de cette ville d'une échelle permettant l'embarquement et le débarquement des marchandises par trois bateaux à la fois, ainsi que de deux nouveaux élévateurs.

Les autorités locales sont déjà chargées d'expédier à la capitale les projets et devis y relatifs et aussitôt que ceux-ci seront arrivés, la Direction Générale des Contributions Indirectes fera le nécessaire pour terminer les travaux dont il s'agit dans le délai le plus court.

Ceci étant le seul point de l'aide-mémoire annexé à la note de votre Excellence du 27 Février dernier, qui était resté en dehors de la communication faite aux six Ambassadeurs le 4 courant, je m'empresse de combler cette lacune en portant ce qui précède à la connaissance de votre Excellence.

Je saisis, &c.
(Signé) TEWFIK.

(Translation.)

M. l'Ambassadeur, *Ministry for Foreign Affairs, March* 9, 1907.

WITH reference to my note of the 4th instant relative to the undertakings given by the Imperial Government in connection with the 3 per cent. customs increase, I have the honour to inform your Excellency that it has been also decided to repair and enlarge the customs premises at Bagdad, and to supply the custom-house in this town with a wooden pier, enabling three vessels to ship and unship at the same time, and with two new hoists.

The local authorities have already received instructions to send to the capital the estimates and plans for these works, and as soon as they arrive, the Direction Générale des Contributions Indirectes will take the necessary steps to complete the said works with the least possible delay.

As this is the only point in the Memorandum annexed to your Excellency's note of the 27th February last, which was not dealt with in the communication addressed to the six Ambassadors on the 4th instant, I hasten to make good this omission by bringing the above to the notice of your Excellency.

I have, &c.
(Signed) TEWFIK.

Inclosure 3 in No. 132.

Note verbale communicated by the Ottoman Government to the Representatives of the Six Great Powers.

EN vue de compléter sa communication du 4 courant relative à la majoration douanière, la Sublime Porte a l'honneur d'informer leurs Excellences MM. les Ambassadeurs d'Allemagne, de Russie, d'Angleterre, de France, d'Autriche-Hongrie, et le Chargé d'Affaires d'Italie que le Gouvernement Impérial a aussi décidé de réparer et d'agrandir les locaux douaniers de Bagdad. Outre les deux nouveaux élévateurs qui doivent y être installés, une échelle y sera établie permettant l'embarquement et le débarquement des marchandises à trois bateaux à la fois.

Les autorités locales sont déjà chargées d'expédier à la capitale les projets et devis y relatifs, et aussitôt que ceux-ci seront reçus la Direction Générale des Contributions Indirectes fera le nécessaire pour terminer les travaux dont il s'agit dans le délai le plus court.

Ministère des Affaires Étrangères,
le 9 Mars, 1907.

(Translation.)

WITH reference to its communication of the 4th instant, relative to the customs increase, the Sublime Porte has the honour to inform their Excellencies the German, Russian, British, French, and Austro-Hungarian Ambassadors and the Italian Chargé d'Affaires that the Imperial Government has also decided to repair and enlarge the customs premises at Bagdad. Besides the two new cranes which are to be placed there, a wooden pier will be erected which will enable three vessels to ship and unship goods at a time.

The local authorities have already received instructions to send to the capital the plans and estimates for the work, and as soon as they arrive, the Direction Générale des Contributions Indirectes will take the necessary steps to complete the said works with the least possible delay.

Ministry for Foreign Affairs,
March 9, 1907.

Inclosure 4 in No. 132.

Circular addressed by Sir N. O'Conor to His Majesty's Consular Officers at various Ports.

Sir, *Constantinople, March* 6, 1907.

UNDER instructions from His Majesty's Government, I addressed a note to the Ottoman Minister for Foreign Affairs on the 27th February, inclosing a Memorandum

of the reforms which must be undertaken in the Customs Administration of this country in order to satisfy the conditions attached by His Majesty's Government to their consent to the increase of the customs duties.

On the 4th instant I received a reply from the Sublime Porte accepting in full the demands of His Majesty's Government. I inclose an extract which refers to the measures to be taken at for improving the customs accommodation, and a copy of the special "Règlement Douanier" which has been drawn up and communicated to me by the Porte.

You should carefully watch the improvements which especially concern your post as well as the manner in which the "Règlement" is put into force, and report to me by telegraph at an early date the steps taken by the local authorities to carry out their instructions. You should also continue to furnish me with regular weekly reports on the progress made with the increase of accommodation and the spirit in which the "Règlement" is observed.

I am, &c.
(Signed) N. R. O'CONOR.

No. 133.

Sir N. O'Conor to Sir Edward Grey.—(*Received March* 18.)

Sir, *Constantinople, March* 13, 1907.

AT the meeting of the Ambassadors on the 27th ultimo the French Ambassador, M. Constans, stated that it was the desire of his Government, with which he understood the British Government were in agreement, that the conclusion of the 3 per cent. customs negotiations should be embodied in a Protocol or Declaration rather than an exchange of notes. His Excellency submitted a draft which, he thought, would answer the purpose, stating, however, at the same time, that, in consequence of the communication made by His Majesty's Embassy to the Porte, it would, no doubt, have to be altered to some extent. I told M. Constans that I agreed in this, but that I would like to refer to you for instructions before suggesting the amendments to be introduced. Owing to an attack of influenza I have not been able to attend to the matter for some days, but I do not like to delay sending you the draft proposed and asking whether you see any objection to this Protocol, provided it contained a clause referring to the conditions mentioned in our note to the Porte of the 27th ultimo.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 133.

Draft Protocol respecting Customs Negotiations.

LE Gouvernement Impérial Ottoman ayant manifesté le désir que les droits de douane perçus à l'entrée sur le territoire Ottoman et fixés uniformément à 8 pour cent *ad valorem* soient portés à 11 pour cent, et les Gouvernements d'Autriche-Hongrie, d'Allemagne, de France, de Grande-Bretagne, d'Italie, et de Russie ayant, d'autre part, le désir d'assurer des ressources correspondantes aux besoins financiers des trois vilayets de Roumélie, ont examiné les conditions auxquelles devrait être subordonnée cette augmentation du Tarif Douanier actuellement en vigueur, et l'accord s'étant établi entre eux sur ces conditions, ont convenu ce qui suit avec le Gouvernement Impérial Ottoman—

1. Toutes les marchandises importées par voie de terre ou par voie de mer dans l'Empire Ottoman et actuellement soumises à la taxe de 8 pour cent *ad valorem* acquitteront, à partir de la mise en vigueur du présent Accord, et pendant une durée de sept années, un droit de 11 pour cent *ad valorem*.

2. La loi des mines, la loi sur les analyses en douane, ainsi que les Règlements sur l'emmagasinage du pétrole, et l'amélioration du service des douanes seront appliqués aux intérêts existants de même qu'aux intérêts qui se créeront dans l'avenir, conformément aux textes modifiés de ces lois et Règlements qui ont été communiqués officiellement aux Ambassades par le Gouvernement Ottoman et qui sont annexés au présent Accord.

3. Le Gouvernement Ottoman affectera une somme de £T. 100,000 à la construction et à l'amélioration des locaux des douanes.

4. Les droits de hamalage seront dorénavant perçus (dans les ports Ottomans) suivant les nouveaux tarifs communiqués aux Ambassades par le Gouvernement Ottoman et annexés au présent Accord.

5. La part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial Ottoman sur les sommes encaissées du chef de la majoration douanière sera exclusivement consacrée aux besoins financiers des trois vilayets de Roumélie.

Conformément à l'engagement pris par le Conseil d'Administration de la Dette Publique Ottomane par lettre du 4 (17) Décembre, 1906, adressée au Commissaire Impérial près la Dette Publique, les sommes dont il est question au paragraphe précédent seront versées annuellement au crédit du Budget des trois vilayets de Roumélie par l'Administration de la Dette Publique Ottomane.

6. Conformément à l'engagement pris par la même lettre du 4 (17) Décembre, l'Administration de la Dette Publique Ottomane couvrira annuellement le déficit éventuel du Budget des trois vilayets de Roumélie jusqu'à concurrence de £T. 250,000.

7. Le Gouvernement Impérial Ottoman étant résolu à observer la totalité des prescriptions du Règlement fixant les attributions de la Commission Financière, il est bien entendu que dans le cas où ladite Commission Financière, agissant en vertu de l'Article 6 du Règlement, jugerait que le Budget ne contient pas les prévisions nécessaires pour les besoins de l'Administration Civile, y compris la gendarmerie et la police, le Gouvernement Impérial Ottoman se conformera entièrement aux rectifications introduites par la Commission.

8. Il est de même bien entendu que, dans le cas où, du fait des mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial Ottoman les dépenses des trois vilayets de Roumélie viendraient à être augmentées et par suite les revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, le Gouvernement Impérial Ottoman, conformément aux dispositions de l'Article 2 de la note collective qui lui a été adressée par les Représentants des six Puissances le 28 Mai, 1906, sera obligé de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre lui et la Banque Impériale Ottomane.

9. Le Gouvernement Impérial Ottoman s'engage formellement à ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

10. Le Gouvernement Impérial Ottoman s'engage formellement à prendre et à faire appliquer les mesures nécessaires pour l'exécution de ses engagements antérieurs relativement au port d'armes, au recrutement, et à l'armement de la gendarmerie dans les trois vilayets de Roumélie, pour l'application de l'Article 61 du Règlement qui consacre l'intervention de la gendarmerie en cas de délits et de crimes, et notamment pour que les autorités civiles et militaires prêtent leur concours aux officiers de gendarmerie afin d'assurer la stricte application des Articles 61 et suivants du Règlement de cette arme.

11. Le Gouvernement Impérial Ottoman s'engage à former le contingent intégral des recrues pour la gendarmerie et à compléter, en cas de nécessité, ledit contingent par des hommes pris parmi les soldats de l'armée régulière, en pleine conformité des demandes présentées par le Général réorganisateur.

12. Le présent Accord entrera en vigueur deux mois après sa ratification par les Gouvernements intéressés, et la surtaxe de 3 pour cent sera perçue à partir de la même date.

(Translation.)

THE Imperial Ottoman Government being desirous that the customs duties levied on goods entering Ottoman territory, and fixed uniformly at 8 per cent. *ad valorem*, should be raised to 11 per cent., and the Governments of Austria-Hungary, Germany, France, Great Britain, Italy, and Russia, on the other hand, being desirous of obtaining a source of revenue to provide for the financial requirements of the three Roumelian vilayets, have examined the conditions subject to which they would be prepared to accept such increase of the Customs Tariff actually in force, and an Agreement having been arrived at between them in regard to these conditions, have resolved upon the following with the Imperial Ottoman Government:—

1. All goods imported by land or sea into the Ottoman Empire at present subject to the 8 per cent. duty *ad valorem* shall pay, as soon as the present Agreement comes into force, for a period of seven years, an 11 per cent. *ad valorem* duty.

2. The Mining Law, the Law respecting the customs analysis, as well as the

regulations respecting the storage of petroleum, and the improvement of the customs service, shall apply to actual interests as well as to interests which may be created in the future, in accordance with the modified texts of these Laws and regulations which have been officially communicated to the Embassies by the Ottoman Government, and which are annexed to the present Agreement.

3. The Ottoman Government shall assign a sum of £ T. 100,000 for the construction and improvement of customs premises.

4 Porterage dues shall henceforth be collected (in Ottoman ports) in accordance with the new Tariffs communicated to the Embassies by the Ottoman Government and annexed to the present Agreement.

5. The portion which by virtue of existing Laws shall remain at the disposal of the Imperial Ottoman Government out of the sums encashed on account of the customs increase shall be exclusively devoted to the financial requirements of the three Roumelian vilayets.

In accordance with the undertaking given by the Council of Administration of the Ottoman Public Debt by a letter dated the 4th (17th) December, 1906, addressed to the Imperial Commissary on the Public Debt, the sums mentioned in the preceding paragraph shall be paid annually to the credit of the Budget of the three Roumelian vilayets by the Administration of the Ottoman Public Debt.

6. In conformity with the undertaking given in the same letter of the 4th (17th) December, the Administration of the Ottoman Public Debt shall make good annually the deficit, should there be one, in the Budget of the three Roumelian vilayets to the amount of £ T. 250,000.

7. The Imperial Ottoman Government being resolved to observe all the provisions of the "Règlement" defining the duties of the Financial Commission, it is clearly understood that whenever the said Financial Commission, acting in virtue of Article 6 of the "Règlement," considered that the Budget did not make adequate provision for the requirements of the Civil Administration, including the gendarmerie and the police, the Imperial Ottoman Government shall accept unreservedly such modifications as the Commission thought proper to make.

8. It is also clearly understood that if, in consequence of measures taken without the consent of the Financial Commission by the Imperial Ottoman Government, the expenditure of the three Roumelian vilayets were to be increased, and the revenues assigned to the Budget of the vilayets were found insufficient to meet the fresh deficit thus created, the Imperial Ottoman Government, in accordance with the provisions of Article 2 of the collective note which was addressed to it by the Representatives of the Six Powers on the 28th May, 1906, shall be obliged to furnish additional guarantees in order to insure that the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank is carried out.

9. The Imperial Ottoman Government formally undertakes not to impose upon customs operations fresh taxes of an uncertain or unforeseen character in the shape of a stamp duty, or in any other manner.

10. The Imperial Ottoman Government formally undertakes to adopt and give effect to the measures requisite for carrying out its prior engagements relative to the carrying of arms, to recruitment, and to the armament of the gendarmerie in the three Roumelian vilayets, for the application of Article 61 of the "Règlement," which sanctions the intervention of the gendarmerie in cases of misdemeanours and crimes, and especially in order to insure the civil and military authorities giving their support to the gendarmerie officers so that Article 61, and the following Articles of the "Règlement" respecting that force, may be strictly enforced.

11. The Imperial Ottoman Government undertakes to furnish the requisite number of gendarmerie recruits, and, when necessary, to select men from the regulars for the purpose, in entire conformity with the demands presented by the General in charge of the reorganization.

12. The present Agreement shall come into force two months after its ratification by the Governments concerned, and the 3 per cent. surtax shall be collected on and after the same date.

No. 134.

Sir Edward Grey to Sir N. O'Conor.

Sir, *Foreign Office, March* 27, 1907.

THE Turkish Ambassador called at this Office on the 19th instant, and left with me an *aide-mémoire*, stating that all the conditions to which His Majesty's Govern-

ment had subordinated their assent to the increase of the Turkish customs duties had now been accepted by the Ottoman Government, and requesting that the sanction of His Majesty's Government to the proposed measure should be no longer delayed.

I stated to his Excellency, in reply, that I was informed that the Turkish Government had notified their acceptance of all the conditions demanded by us in concert with the other Powers, but that, before His Majesty's Government could give their consent to the levying of the increased duties, they insisted that the Porte must carry out without delay such reforms and improvements in the customs arrangements as were capable of immediate execution. I understood that the particulars of the measures which his Government proposed to put in hand at once had been submitted to your Excellency and were now being examined. I was waiting to hear from you on the subject.

I added that with regard to the construction of depôts and permanent buildings and similar improvements which demanded time for their execution, His Majesty's Government expected that the necessary orders would be given, and the contracts for the works placed at once.

I am, &c.
(Signed) E. GREY.

No. 135.

Sir N. O'Conor to Sir Edward Grey.—(Received April 2.)

Sir, *Constantinople, March 27, 1907.*

AS I may shortly be in a position to report that the Porte has fulfilled those conditions which are capable of immediate execution with regard to the 3 per cent. increase in the Turkish customs duties, I should be glad to know whether the insertion of the following clause in M. Constans' proposed draft Declaration or Protocol, inclosed in my despatch of the 13th instant, would meet with your approval:—

"Il reste toutefois entendu que les Gouvernements consentant à cette surtaxe de leurs produits subordonnent le maintien de ce consentement de leur part pour la période précitée à la stricte et complète exécution par le Gouvernement Impérial Ottoman des engagements assumés par lui, se réservant en cas contraire d'en délibérer à nouveau."

"It is nevertheless understood that the Governments who give their consent to this surtax on their merchandize subordinate the maintenance of their consent for the period mentioned to the strict and complete execution by the Imperial Ottoman Government of the engagements taken by them, reserving to themselves in the contrary case the right to reconsider their position."

I should have liked to introduce my note to the Porte of the 27th February as an inclosure, but it is difficult to propose to my colleagues to insert, or even attach as an inclosure, in a Protocol or Declaration signed by all the Great Powers a communication to the Porte emanating only from His Majesty's Embassy. I doubt whether a suggestion of the sort would be accepted by all my colleagues.

The pith and substance of our Declaration is, however, contained in the present formula. I am not able to say whether it will be accepted by the other Ambassadors, as I have not liked to sound them on the subject before knowing whether it meets with your approval.

I should also like to know whether you approve in other respects of the proposed Declaration, and I should be grateful for an answer to this despatch by telegraph.

I have, &c.
(Signed) N. R. O'CONOR.

No. 136.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April 4, 1907.*

I HAVE received your despatches of the 13th and 27th ultimo, respecting increase in Turkish customs duties.

The French Ambassador's draft Protocol, as also the text of the clause which you propose to insert in M. Constans' draft, have my approval.

At time of the presentation of the proposed collective note to the Sublime Porte, however, a separate note, in wording of my telegram of the 25th February, should also be addressed to them by your Excellency.

No. 137.

Sir N. O'Conor to Sir Edward Grey.—(Received April 8.)

Sir, *Constantinople, April 2, 1907.*

I HAVE the honour to transmit herewith copy of a despatch from the British Financial Delegate in Macedonia, respecting the straits in which the Administration of the three vilayets finds itself.

No improvement will be possible until the increase of 3 per cent. in the customs duties is accorded, and the Financial Commission, as I learn, are no less concerned than the Porte at the delay which is taking place.

Meanwhile, the Turkish Government are, I think, doing their best to press forward the reforms which we have demanded.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 137.

Mr. Harvey to Sir N. O'Conor.

Sir, *Salonica, March 31, 1907.*

UNDER Article 16 of its "Règlement" the Ottoman Bank undertakes to advance £T. 100,000 to facilitate the public service in the three vilayets during the periods of the year when the yield of taxation is slight. The administration is precisely at the worst of these periods at this moment. It cannot, however, have recourse to the Bank's advance of £T. 100,000, for this was practically exhausted at the end of last year, and the credit has not been reopened.

The Financial Commission at yesterday's meeting passed a resolution drawing attention to the urgent necessity of reconstituting this credit of £T. 100,000 to enable the Administration to tide over the period until the sheep tax begins to come in.

I have the honour to remind your Excellency that a large debt has been carried over from the year 1322, that civil salaries for February are still unpaid (even the Financial Commission's clerks being unable to obtain the modest stipends on which they are absolutely dependent), while two months' pay is due to the army.

During March and April the yield of taxation is very small, and it is imperative that something should be done to tide over this period if some semblance of financial regularity is to be maintained.

I have, &c.
(Signed) H. P. HARVEY.

No. 138.

Count de Bosdari to Sir Edward Grey.—(Received April 8.)

THE Italian Chargé d'Affaires presents his compliments to His Britannic Majesty's Secretary of State for Foreign Affairs, and begs to inform him that the Italian Chargé d'Affaires at Constantinople has been approached by Sir Nicholas O'Conor with the proposal to subordinate the definitive consent to the increasing of Turkish customs duties to the acceptance by the Turkish Government of the five points formulated by General Degiorgis.*

Signor Sforza having reported to the Italian Government to said effect, he has been instructed to co-operate with his colleagues in order to carry out the British proposition, which is entirely accepted by the Italian Government.

Italian Embassy, London, April 6, 1907.

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* See "Turkey No. 1 (1907)," No. 186.

No. 139.

Sir N. O'Conor to Sir Edward Grey.—(Received April 8.)

(Telegraphic.) *Constantinople, April 8, 1907.*

THE custom-houses at the ports where we are most interested have received the new Regulations, giving effect to our demands, and they are being applied.

The Porte have issued categorical instructions for the immediate erection of sheds and covers required pending the more extensive operations in accommodation, for which tenders are being asked according as the estimates and full specifications are ready. I am confident that they will be put in hand at the earliest possible date.

In order to save time, I venture to ask for authorization to sign Protocol as soon as I learn that above work on the sheds and covers has actually been commenced.

No. 140.

Sir N. O'Conor to Sir Edward Grey.—(Received April 10.)

(Telegraphic.) *Constantinople, April 10, 1907.*

MY telegram of the 8th instant.

Construction of sheds and shelters has now been put in hand.

No. 141.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April 11, 1907.*

I HAVE received your telegram of the 8th instant.

Before assent of His Majesty's Government can be given, we should, we consider, insist that contracts for permanent works should be placed as you laid down in your note of the 27th February to the Ottoman Government.

Upon this condition we must insist, unless your Excellency has reasons of a definite nature for assuring us that insistence upon this point is unnecessary.

I authorize your Excellency, so soon as the contracts have been placed, to give the assent of His Majesty's Government. At the same time, however, a separate note in the wording of my telegram of 25th February should also be addressed to the Sublime Porte.

No. 142.

Sir N. O'Conor to Sir Edward Grey.—(Received April 12.)

(Telegraphic.) *Pera, April 12, 1907.*

YOUR telegram of yesterday.

I do not wish to hasten investigations and negotiations which must precede contracts of such importance unduly, and I do not think the mere signature of contracts would afford us in the circumstances any better guarantee than we possess already.

The Turkish Customs, under our advice, are doing everything practically possible to act up to their engagements as regards permanent works with the least possible delay.

The Porte may be obliged, if rushed, to make unfavourable terms with the contractors, or even to undertake the construction themselves. This would greatly delay execution, and the work would probably be badly done.

No. 143.

Sir N. O'Conor to Sir Edward Grey.—(Received April 15.)

(Telegraphic.) *Pera, April 15, 1907.*

MY despatch of the 2nd instant.

Mr. Harvey telegraphs as follows:—

"Can you give me some indication as to the prospects of remittance from Constantinople?

"There is now due three months' pay to the army, two months' to civil officials. There must be considerable delay even in paying gendarmerie and police, in whose case default is especially unfortunate, as they receive no rations.

"The Budget of the Commission has not been approved. This is, however, of small consequence in prevailing disorganization."

Unless the Porte are sure of the 3 per cent. increased customs duties they say they cannot borrow money to provide necessary remittance.

No. 144.

Sir N. O'Conor to Sir Edward Grey.—(Received April 16.)

Sir, *Constantinople, April 12, 1907.*

I HAVE the honour to report that, at a meeting of Ambassadors held to-day, my colleagues agreed at my request to introduce into the Protocol which will be presented to the Sublime Porte, notifying the conditions upon which the Powers give their consent to the increase of 3 per cent. in the customs duties, the following clause:—

"Il reste toutefois entendu que les Gouvernements consentant à cette surtaxe de leurs produits subordonnent le maintien de ce consentement de leur part pour la période précitée à la stricte et complète exécution par le Gouvernement Impérial Ottoman des engagements assumés par lui, se réservant en cas contraire d'en délibérer à nouveau."*

I further proposed the insertion of a clause to the effect that the Porte should obtain the consent of the other Powers before putting the increased customs duties into force.

After a long discussion the following formula, which I considered would on the whole be acceptable to the United States' Ambassador as well as to the Representatives of the other Powers, was unanimously adopted:—

"Les arrangements qui précèdent, et qui lient le Gouvernement Impérial Ottoman aux Puissances qui les signent, ne sauraient en aucun cas dispenser la Porte de demander l'assentiment des autres Puissances, avant que cette majoration soit mise en vigueur."†

The Ambassadors also agreed to address a note to the Porte, copy of which I have the honour to inclose, intimating that we were unable to take a final decision respecting the 3 per cent. increase until the Porte had accepted the five demands made to the Grand Vizier by General Degiorgis and supported by the Ambassadors in their communication of the 28th February last, copy of which was inclosed in my despatch of the 2nd ultimo.

It was then agreed to prepare the final draft of the Protocol and to sign and present it to the Porte for signature by the Minister for Foreign Affairs as soon as I should inform my colleagues that the special conditions imposed by His Majesty's Government in regard to the customs reform were being put into execution, provided that by that time a satisfactory answer should have been received from the Porte regarding General Degiorgis' five demands.

I have, &c.

(Signed) N. R. O'CONOR.

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* For translation see No. 135.

† (TRANSLATION).—The above arrangements, which bind the Imperial Ottoman Government to the Signatory Powers, cannot in any case dispense the Porte from asking the assent of the other Powers before this increase can come into force.

Inclosure in No. 144.

Note communicated by the Representatives of the Great Powers to the Ottoman Government.

LES Ambassadeurs d'Allemagne, de Russie, d'Angleterre, de France, d'Autriche-Hongrie, et le Chargé d'Affaires d'Italie se sont réunis hier pour délibérer sur le projet d'accord qu'ils doivent adresser à la Sublime Porte relativement à la majoration de 3 pour cent sur les droits de douane.

Ils ont reconnu impossible de prendre une décision définitive conforme aux vœux du Gouvernement Impérial avant d'avoir reçu une réponse à la note adressée à la Sublime Porte à la date du 28 Février dernier.

Ils espèrent que la Sublime Porte voudra bien, dans le plus bref délai, leur faire savoir qu'elle adhère aux cinq demandes qui ont fait l'objet de leur dépêche, et leur permettre ainsi de régler une question que nouvelle absence de réponse pourrait encore retarder.

Péra, le 11 *Avril*, 1907.

(Translation.)

THE German, Russian, British, French, and Austro-Hungarian Ambassadors and the Italian Chargé d'Affaires met yesterday to discuss the draft Agreement which they are to present to the Sublime Porte relative to the 3 per cent. increase of the customs duties.

They consider it impossible to take a final decision in accordance with the wishes of the Imperial Government before receiving a reply to the note addressed to the Sublime Porte on the 28th February last.

They trust that the Sublime Porte will, with the least possible delay, be so good as to inform them that it adheres to the five demands which formed the subject of their note, and so enable them to settle a question which failure on the part of the Porte to reply might further delay.

Pera, April 11, 1907.

No. 145.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April* 16, 1907.

YOUR telegram of the 12th instant.

I authorize you to sign Protocol, giving consent to increase of 3 per cent., on condition that letting of contracts takes place within a reasonable time.

Objections against placing contracts under pressure are recognized by His Majesty's Government.

If unreasonable delay occurs in placing contracts, it would, we hold, bring into operation the reservation made respecting continuance of consent on part of His Majesty's Government.

No. 146.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April* 16, 1907.

I HAVE received your despatch of the 12th instant.

The final consent to the increased duties will depend, of course, upon the Porte's reply to the joint note respecting General Degiorgis' demands being considered by your colleagues to be satisfactory.

No. 147.

Sir N. O'Conor to Sir Edward Grey.—(Received April 19.)

(Telegraphic.) *Pera, April 19, 1907.*

GENERAL DEGIORGIS' demands.

Your telegram of the 16th instant.

Five gendarmerie demands accepted by the Porte.

No. 148.

Sir N. O'Conor to Sir Edward Grey.—(Received April 22.)

Sir, *Constantinople, April 16, 1907.*

I HAVE the honour to report that, under my instructions, Mr. Lamb represented to the Minister for Foreign Affairs this afternoon the necessity of taking immediate steps to provide for the remittance of funds to the Financial Commission in Macedonia, where, according to information supplied by His Britannic Majesty's Consul-General, not only were two months' salary due to the civil employés and three to the troops, but there were not even the means of paying the gendarmerie and police. A continuance of this state of things, Mr. Lamb urged, could not but constitute a serious danger to the Government, as it jeopardized the whole work of the reforms.

Tewfik Pasha admitted the serious nature of the situation, but stated that, in the present financial condition of the Government, the necessary funds could only be obtained either by the application of the 3 per cent. increase in the import duties, or by a "financial operation," to which it did not yet see its way.

Other officials hardly attempt to conceal their satisfaction at the proof, which they consider is now being afforded, of the accuracy of the Porte's contention that its acceptance of the Financial Commission must be made conditional on the creation of new revenues. The idea of raising fresh loans, secured on the general resources of the Empire, but destined to be devoted to the special requirements of the three vilayets, is universally unpopular in official circles, where the prevalent feeling is that the present suspension of payments in Macedonia is a necessary result of the delay of the Powers (*i.e.*, of Great Britain) in notifying their consent to the increased duties.

I have, &c.

(Signed) N. R. O'CONOR.

No. 149.

Sir N. O'Conor to Sir Edward Grey.—(Received April 22.)

(Telegraphic.) *Constantinople, April 22, 1907.*

SHORTLY before the meeting of the Ambassadors to-day for signature of the Protocol I learned that there was serious opposition in the Customs to the execution of Article 1 of the Regulations. I felt that the chances of any real improvement would be remote if we did not insist at this moment on the full execution of the Regulations. I therefore informed my colleagues that I was, to my great regret, unable, under the circumstances, to sign.

The Minister for Foreign Affairs arrived with the Sultan's Iradé accepting our Protocol during the meeting. On learning the nature of the difficulty he said that all the Regulations were being enforced.

I replied that I was unfortunately unable to accept this statement in the face of positive information in my possession to the contrary, and that until I was satisfied that the Regulations were being put into execution I could not sign.

No. 150.

Sir N. O'Conor to Sir Edward Grey.—(Received April 23.)

Sir, *Constantinople, April 19, 1907.*

WITH reference to my despatch of the 9th ultimo, I have the honour to transmit herewith copy of a Memorandum by Mr. Weakley, Commercial Attaché, to

His Majesty's Embassy, respecting the construction of the new custom-houses at Constantinople, for which tenders are being invited.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 150.

Memorandum by Mr. Weakley.

THE negotiations which had been entered into by the Société des Quais de Constantinople with the Turkish Customs Administration during the last eighteen months, for the building, by the Société, of the new Customs premises on the Galata and Stamboul quays, were recently brought to a satisfactory conclusion, and an Agreement, embodying the conditions on which the work of construction is to be carried out by the Société, was drawn up and signed by the Directors of the two Administrations on the 16th March last.

From the copy of this Agreement, which I have the honour to transmit herewith,* it will be observed that the Turkish Government is to contribute a sum of £T. 64,000 towards the cost of the new buildings. It is estimated that the total outlay will very probably equal, if not exceed, £T. 180,000, and of this sum the Société des Quais will have to contribute nearly £T. 120,000.

According to the terms of the Agreement, the buildings are to be completed within a period of two years and a-half, dating from the 16th March, 1907, but the Société des Quais will endeavour to bring the works to a termination within two years from the date of signature of the Agreement.

The plans and specifications for the iron framework to be used in the buildings have been prepared, and the Société now invites tenders for the supply of this material. I have the honour to transmit, for the information of the Commercial Intelligence Branch of the Board of Trade, copies of these plans and specifications, as well as the letter from the Quay Company inviting tenders.*

It will be observed that tenders have to be addressed to the Company's offices, 4, Rue de Sèze, Paris, and not to Constantinople.

(Signed) E. WEAKLEY.

Constantinople, April 17, 1907.

No. 151.

Sir N. O'Conor to Sir Edward Grey.—(Received April 25.)

(Telegraphic.) *Pera, April* 25, 1907.

MY telegram of the 22nd instant.

I to-day signed, in concert with my colleagues, the Protocol, being satisfied that the obstructions to the execution of the Customs Regulations had been removed by the direct orders of the Sultan, and that they were now being enforced. It will be presented to the Minister for Foreign Affairs this afternoon for his signature. In compliance with your instructions (see Foreign Office telegram of the 11th April), I am presenting separate note to the Porte this afternoon.

No. 152.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April* 25, 1907.

TURKISH customs duties.

I approve entirely your action as reported in your telegram of the 22nd instant.

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* Not printed.

No. 153.

Sir Edward Grey to Sir N. O'Conor.

(Telegraphic.) *Foreign Office, April* 26, 1907.

YOU should inform the Porte that, in order to afford British contractors full opportunity of offering tenders for the construction of the projected customs improvement work, His Majesty's Government expect that due notice of call for such tenders will be given.

It is only fair that corresponding proportion of contracts should be allotted to British firms, seeing that increased duties will chiefly affect British imports. You should accordingly do your utmost to insure British tenders for these works being accepted.

No. 154.

Sir N. O'Conor to Sir Edward Grey.—(Received April 29.)

Sir, *Constantinople, April* 22, 1907.

WITH reference to my despatch of the 17th instant, reporting the action taken to secure the assent of the Sublime Porte to the whole of the five demands presented to the Grand Vizier by General Degiorgis, I have the honour to transmit copy of a note from the Porte informing the Representatives of the Great Powers that that assent has been given.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 154.

Sublime Porte to Representatives of Great Powers.

EN réponse à la note que leurs Excellences MM. les Représentants des Six Grandes Puissances ont bien voulu lui adresser le 28 Février écoulé, la Sublime Porte a l'honneur de les informer que, conformément à une décision du Conseil des Ministres sanctionnée par Iradé Impérial, les cinq points formant l'objet de la note en question sont acceptés en conformité de l'entente dernièrement intervenue entre l'Inspecteur-Général et Degiorgis Pacha, et qu'il est décidé d'admettre l'assistance d'un officier de gendarmerie choisi et délégué par le dit Général aux enquêtes prévues par les points 3, 4, et 5.

Son Excellence Hussein Hilmi Pacha a déjà reçu les ordres et instructions nécessaires pour la mise en application, d'accord avec le Général Réorganisateur, des points susmentionnés sur la base de cette décision et de l'entente établie au cours de l'échange de vues qu'il avait eu avec ce dernier.

En portant ce qui précède à la connaissance de leurs Excellences les Représentants des Puissances, la Sublime Porte constate que la lacune mentionnée dans leur note collective du 11 courant relative à la majoration douanière se trouve ainsi comblée en conformité des vœux exprimés dans la note du 28 Février dernier.

Ministère des Affaires Étrangères,
le 18 *Avril,* 1907.

(Translation.)

IN reply to the note which their Excellencies the Representatives of the Six Great Powers were good enough to address to it on the 28th February last, the Sublime Porte has the honour to inform them that, in accordance with a decision of the Council of Ministers sanctioned by Imperial Iradé, the five points which form the subject of the note in question have been accepted in accordance with the understanding recently arrived at between the Inspector-General and Degiorgis Pasha; and that it has been decided to authorize the presence of a gendarmerie officer, selected and delegated by the said General, at the inquiries mentioned in points 3, 4, and 5.

His Excellency Hussein Hilmi Pasha has already received the necessary orders and

instructions for putting into force, in agreement with the General in charge of the reorganization, the above-mentioned points on the basis of that decision, and of the understanding reached during the exchange of dues which he had with this latter.

In bringing the above to the notice of their Excellencies the Representatives of the Powers, the Sublime Porte declare that the omission mentioned in their collective note of the 11th instant relative to the customs increase, is thus supplied in accordance with the wishes expressed in the note of the 28th February last.

Ministry of Foreign Affairs, April 18, 1907.

No. 155.

Sir N. O'Conor to Sir Edward Grey.—(Received April 29.)

(Extract.) *Constantinople, April* 22, 1907.

I HAVE the honour to report that the Ambassadors and the Italian Chargé d'Affaires assembled on the 20th instant to examine and consider the final draft of the Protocol for recording the assent of the Powers to the increase of the customs duties.

A few minor alterations were made in the original draft, and at my suggestion a paragraph was introduced into Article 6, taking note of the Arrangement concluded between the Sublime Porte and the Administration of the Public Debt with regard to the control of the 3 per cent. duty by the latter.

The Article respecting the Arrangement to be made by the Porte with the other Powers, which had been adopted at our last meeting, was also inserted.

The two last Articles of the Protocol, a copy of which I have the honour to inclose, refer to the date at which the Agreement will come into force and to the special conditions made by Germany. A meeting was convoked for this afternoon for the signing of the Protocol.

Shortly before it was held I learnt from Mr. Weakley, whom I had sent to the custom-house to ascertain whether an obstruction which he had reported a few days previously as having arisen in regard to Article 1 of the Regulations, and of which I had complained to the Grand Vizier, had been removed, as I had been assured by his Highness that it would be.

Mr. Weakley reported that, although a register of officials in daily attendance at the custom-house was nominally permitted, the Regulation would remain a dead letter, as the Inspectors had been prohibited from verifying the actual presence of those officials; that there were also other points of the Regulations which could not be enforced owing to the obstructive attitude of some of the employés who counted upon support in high quarters.

The Director-General appeared to be doing all in his power, and it was obvious that, unless he had efficient support from the Ambassadors at the moment, his authority in the future would be lost—or at any rate greatly diminished—and that the changes of fresh difficulties arising at no distant date would be proportionately increased.

I explained the situation to my colleagues, and was at pains to show them that, having knowledge of the state of things, it was impossible I should report to you that the Regulations capable of immediate execution were being enforced, or sign a document authorizing the levy of the increased customs duty.

The Minister for Foreign Affairs arrived in the meantime at the German Embassy, where we were meeting, to inform us that the Porte had received the Sultan's Iradé sanctioning the conditions laid down in the Protocol.

His Excellency was informed of the point which had arisen owing to the information which I had just received, and stated that he had seen the Director-General of Customs a few hours beforehand, and had been assured that the difficulty in regard to the attendance of the Customs employés had been removed and that the Regulations were in full force.

I expressed my regret to my colleagues at not being able to accept the statement of his Excellency in view of the precise information which I had just received, and again repeated that it was out of my power, under the circumstances, to put my signature at this moment to the Protocol, and that I could only do so when reassured upon the matter.

The Ambassadors recognized the position, and after some further discussion it was

agreed that a dragoman from the German Embassy and one from the Russian Embassy should confer with Mr. Weakley, Commercial Attaché to His Majesty's Embassy, to-morrow at 11 A.M., and proceed to the custom-house to verify the exact condition of affairs and see how far the Regulations were being put into force.

It was agreed that as soon as the result was known we should meet again.

I had the honour to telegraph the substance of this despatch to you to-day.

Inclosure in No. 155.

Protocol.

LE Gouvernement Impérial Ottoman ayant manifesté le désir que les droits de douane perçus à l'entrée sur le territoire Ottoman et fixés uniformément à 8 pour cent *ad valorem* soient portés à 11 pour cent, et les Gouvernements d'Allemagne, d'Autriche-Hongrie, de France, de Grande-Bretagne, d'Italie, et de Russie ayant d'autre part le désir d'assurer des ressources correspondantes aux besoins financiers des trois vilayets de Roumélie, ont examiné les conditions auxquelles devrait être subordonnée cette augmentation du Tarif Douanier actuellement en vigueur, et l'accord s'étant établi entre eux sur ces conditions, ont convenu ce qui suit avec le Gouvernement Impérial Ottoman:—

1. Toutes les marchandises importées, par voie de terre ou par voie de mer, dans l'Empire Ottoman et actuellement soumises à la taxe de 8 pour cent *ad valorem*, acquitteront à partir de la mise en vigueur du présent accord et pendant une durée de sept années un droit de 11 pour cent *ad valorem*.

2. La Loi des Mines, la Loi sur les Analyses en douane, ainsi que les Règlements sur l'emmagasinage du pétrole et l'amélioration du service des douanes, seront appliqués aux intérêts existants de même qu'aux intérêts qui se créeront dans l'avenir, conformément aux textes modifiés de ces Lois et Règlements qui ont été communiqués officiellement aux Ambassades par le Gouvernement Ottoman et qui sont annexés au présent accord.

3. Le Gouvernement Ottoman affectera une somme de £T. 100,000 à la construction et à l'amélioration des locaux des douanes.

4. Les droits de hamalage seront dorénavant perçus dans les ports Ottomans suivant les nouveaux Tarifs communiqués aux Ambassades par le Gouvernement Ottoman et annexés au présent accord.

5. Les Gouvernements qui consentent à la surtaxe de leurs produits subordonnent le maintien de ce consentement pour la période précitée à la stricte et complète exécution par le Gouvernement Impérial Ottoman des engagements assumés par lui et se réservent en cas contraire d'en délibérer à nouveau.

6. La part qui, en vertu des lois existantes, restera à la disposition du Gouvernement Impérial Ottoman sur les sommes encaissées du chef de la majoration douanière sera exclusivement consacrée aux besoins financiers des trois vilayets de Roumélie.

Conformément à l'engagement pris par le Conseil d'Administration de la Dette Publique Ottomane par lettre du 4 (17) Décembre, 1906, adressée au Commissaire Impérial près la Dette Publique, les sommes dont il est question au paragraphe précédent, seront versées annuellement au crédit du Budget des trois vilayets de Roumélie par l'Administration de la Dette Publique Ottomane.

La perception et le paiement de ces sommes seront faits conformément aux accords intervenus entre la Sublime Porte et l'Administration de la Dette Publique.

7. Conformément à l'engagement pris par la même lettre du 4 (17) Décembre, l'Administration de la Dette Publique Ottomane couvrira annuellement le déficit éventuel du Budget des trois vilayets de Roumélie jusqu'à concurrence de £T. 250,000.

8. Le Gouvernement Impérial Ottoman étant résolu à observer la totalité des prescriptions du Règlement fixant les attributions de la Commission Financière, il est bien entendu que dans le cas où la dite Commission, agissant en vertu des dispositions de l'Article 6 du Règlement précité, aura à rectifier dans les chapitres des recettes et des dépenses les dispositions qui ne seraient pas conformes aux lois existantes ou ne répondraient pas aux besoins économiques et financiers du pays, ou que, à raison de l'insuffisance du dit Budget relativement aux prévisions voulues pour le besoin de l'Administration Civile, y compris la gendarmerie et la police, elle y apportera les

rectifications nécessaires, la Sublime Porte se conformera entièrement aux rectifications introduites par la Commission.

9. Il est de même bien entendu que, dans le cas où du fait des mesures prises sans l'assentiment de la Commission Financière par le Gouvernement Impérial Ottoman, les dépenses des trois vilayets de Roumélie viendraient à être augmentées et par suite les revenus affectés à leur Budget se trouveraient insuffisants pour combler le nouveau déficit ainsi créé, le Gouvernement Impérial Ottoman, conformément aux dispositions de l'Article 2 de la note collective qui lui a été adressée par les Représentants des six Puissances le 28 Mai, 1906, sera obligé de fournir des garanties supplémentaires pour assurer l'accomplissement de l'engagement contenu dans l'Article 12 du Règlement intervenu entre lui et la Banque Impériale Ottomane.

10. Le Gouvernement Impérial Ottoman s'engage formellement à ne point frapper les opérations douanières de nouvelles taxes incertaines et imprévues sous la forme de droit de timbre ou de toute autre manière.

11. Le Gouvernement Impérial Ottoman s'engage formellement à prendre et à faire appliquer les mesures nécessaires pour l'exécution de ses engagements antérieurs relativement au port d'armes, au recrutement, et à l'armement de la gendarmerie en cas de délits et de crimes, et, notamment, pour que les autorités civiles et militaires prêtent leur concours aux officiers de gendarmerie afin d'assurer la stricte application des Articles 61 et suivants du Règlement de cette arme.

12. Le Gouvernement Impérial Ottoman s'engage à former le contingent intégral des recrues pour la gendarmerie et à compléter, en cas de nécessité, le dit contingent par des hommes pris parmi les soldats de l'armée régulière, en pleine conformité des demandes présentées par le général réorganisateur.

13. Les arrangements qui précèdent et qui lient le Gouvernement Impérial Ottoman aux Puissances qui les signent ne sauraient en aucun cas dispenser la Sublime Porte de demander l'assentiment des autres Puissances à la majoration des droits qui fait l'objet du présent acte.

14. Le présent accord entrera en vigueur deux mois après sa signature, toutefois sous cette réserve que la surtaxe de 3 pour cent ne pourra être perçue qu'après que les Parlements dont l'intervention est nécessaire auraient donné leur adhésion.

15. L'Article 1 du Procès-verbal de signature du Traité de Commerce conclu entre l'Allemagne et la Turquie le 26 Août, 1890, portant que " jusqu'à la date à laquelle le dit Traité entrera en vigueur, conformément à son Article 25, le régime actuel sera maintenu," l'Ambassadeur d'Allemagne se réserve de conclure avec la Sublime Porte une Convention Spéciale pour modifier cet Article. La surtaxe de 3 pour cent ne pourra être perçue qu'après la ratification de cette Convention.

Fait en double original.

Constantinople, le 25 *Avril*, 1907.

(Translation.)

THE Imperial Ottoman Government being desirous that the customs duties levied on goods entering Ottoman territory, and fixed uniformly at 8 per cent. *ad valorem*, should be raised to 11 per cent., and the Governments of Germany, Austria-Hungary, France, Great Britain, Italy, and Russia, on the other hand, being desirous of obtaining a source of revenue to provide for the financial requirements of the three Roumelian vilayets, have examined the conditions subject to which they are prepared to accept such increase of the Customs tariff actually in force, and an agreement having been arrived at between them in regard to these conditions, have resolved upon the following with the Imperial Ottoman Government:—

1. All goods imported by land or sea into the Ottoman Empire at present subject to the 8 per cent. duty *ad valorem*, shall pay, as soon as the present Agreement comes into force, for a period of seven years, a duty of 11 per cent. *ad valorem*.

2. The Mining Law, the Law respecting the customs analysis, as well as the regulations respecting the storage of petroleum, and the improvement of the customs service, shall apply to actual interests as well as to interests which may be created in the future, in accordance with the modified texts of these laws and regulations which have been officially communicated to the Embassies by the Ottoman Government, and which are annexed to the present Agreement.

3. The Ottoman Government shall assign a sum of £T. 100,000 for the construction and improvement of Customs premises.

4. Porterage dues shall henceforth be collected in Ottoman ports in accordance with the new tariffs communicated to the Embassies by the Ottoman Government and annexed to the present Agreement.

5. The Governments who give their consent to the surtax on the productions of their respective countries make the continuance of their consent for the period mentioned subject to the strict and entire fulfilment by the Imperial Ottoman Government of the engagements taken by it, reserving to themselves, should these engagements not be carried out, the right to reconsider their position.

6. The portion which by virtue of existing laws shall remain at the disposal of the Imperial Ottoman Government out of the sums encashed on account of the customs increase shall be devoted exclusively to the financial requirements of the three Roumelian vilayets.

In accordance with the undertaking given by the Council of Administration of the Ottoman Public Debt by a letter, dated the 4th (17th) December, 1906, addressed to the Imperial Commissary on the Public Debt, the sums mentioned in the preceding paragraph shall be paid annually to the credit of the Budget of the three Roumelian vilayets by the Administration of the Ottoman Public Debt.

The collection and payment of these sums shall be made in conformity with the agreements arrived at between the Sublime Porte and the Administration of the Public Debt.

7. In conformity with the undertaking given in the same letter of the 4th (17th) December, the Administration of the Ottoman Public Debt shall make good annually the deficit, should there be one, in the Budget of the three Roumelian vilayets to the amount of £T. 250,000.

8. The Imperial Ottoman Government being resolved to observe all the provisions of the "Règlement" defining the duties of the Financial Commission, it is clearly understood that if the said Commission, acting in virtue of the provisions of Article 6 of the above-quoted "Règlement," has to modify under the headings of receipts and expenditure those provisions which would not be in accordance with existing laws, and which would not meet the economical and financial requirements of the country, and if, owing to the insufficiency of the said Budget in regard to the estimated requirements of the Civil Administration, including the gendarmerie and police, it shall make the necessary modifications, the Sublime Porte shall accept unreservedly such modifications as the Commission thought proper to make.

9. It is also clearly understood that, if in consequence of measures taken without the consent of the Financial Commission by the Imperial Ottoman Government the expenditure of the three Roumelian vilayets was increased, and consequently the revenues assigned to their Budget were found insufficient to make good the fresh deficit thus created, the Imperial Ottoman Government, in accordance with the provisions of Article 11 of the collective note which was addressed to it by the Representatives of the six Powers on the 28th May, 1906, shall be obliged to furnish additional guarantees in order to insure that the undertaking contained in Article 12 of the "Règlement" arrived at between it and the Imperial Ottoman Bank is carried out.

10. The Imperial Ottoman Government formally undertakes not to impose upon the Customs operations fresh taxes of an uncertain or unforeseen character in the shape of a stamp duty or in any other manner.

11. The Imperial Ottoman Government formally undertakes to adopt and give effect to the measures requisite for carrying out its prior engagements relative to the carrying of arms, to recruitment, and to the armament of the gendarmerie in cases of misdemeanours and crimes, and more especially with a view to the civil and military authorities affording their support to the gendarmerie officers, so that Article 61 and the following Articles of the "Règlement" respecting that force may be strictly enforced.

12. The Imperial Ottoman Government undertakes to supply the full number of gendarmerie recruits required, and, if necessary, to take men from the regulars for that purpose in entire conformity with the demands presented by the General in charge of the reorganization.

13. The above arrangements, which bind the Imperial Ottoman Government to the Signatory Powers, cannot in any case dispense the Porte from obtaining the assent of the other Powers to the customs increase which forms the subject of the present Act.

14. The present Agreement shall come into force two months after its signature, subject, however, to the reservation that the 3 per cent surtax cannot be levied until those Parliaments whose consent is necessary have given their adhesion.

15. Article 1 of the *procès-verbal* of signature of the Treaty of Commerce concluded between Germany and Turkey on the 26th August, 1890, stipulated that "until the date on which the said Treaty shall come into force in conformity with its Article XXV the existing régime shall be maintained," the German Ambassador reserves to himself the right to conclude with the Sublime Porte a special Convention to modify that Article. The 3 per cent. surtax cannot be levied until the present Convention has been ratified.

Done in double copy.

Constantinople, April 25, 1907.

No. 156.

Sir N. O'Conor to Sir Edward Grey.—(*Received May* 1.)

Sir, *Constantinople, April* 25, 1907.

IN continuation of my despatch of the 22nd instant, reporting that I had been obliged to withhold my signature from the Protocol respecting the increase of the customs duties owing to my having received information that the new Regulations were not being properly enforced, I have the honour to state that I have been able to satisfy myself that those Regulations are now being put into execution.

In accordance with the arrangement of which I had the honour to inform you, Mr. Weakley, with the Dragomans of the German and Russian Embassies, visited the custom-house on the 23rd instant, and were assured by Hassan Fehmi Pasha that the difficulty in regard to Article 1 of the Regulations was a purely personal one and had been removed, and that the interference of the police with the Customs formalities, of which complaint was also made, had been stopped by him during the previous week as soon as he had heard of it.

The Dragomans therefore drew up a Report to the effect that there was no cause of complaint, and that they were satisfied with the explanations of Hassan Fehmi Pasha.

Mr. Weakley, however, was obliged to make a separate Report, pointing out that his Excellency had not denied that the Regulations regarding attendance of officials had been broken, and stating that his information as to outside interference in respect to this point had been positive. Orders had now, however, been given from high quarters that this abuse should cease once and for all, and Mr. Weakley was therefore able to express himself satisfied.

The orders referred to had been sent by the Sultan in consequence of strong representations which I made at the Palace on learning of the interference which had taken place.

Having received Mr. Weakley's Report, I informed Baron von Marschall that I was prepared to sign the Protocol, and I and the rest of my colleagues accordingly did so this morning, and it was presented to Tewfik Pasha and signed by his Excellency during the afternoon.

In the course of this afternoon Mr. Lamb, under my instructions, also presented to the Minister for Foreign Affairs the note of which a copy is inclosed, setting forth the special reservations made by His Majesty's Government, as laid down in your telegram of the 25th February.

A copy of this note was at the same time communicated to my colleagues.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 156.

Sir N. O'Conor to Tewfik Pasha.

M. le Ministre, *Constantinople, April* 25, 1907.

I HAVE this day signed the Protocol by which, in common with the Governments of Austria-Hungary, France, Germany, Italy, and Russia, His Majesty's Government gives its consent on certain conditions, to which the Sublime Porte have agreed, to the increase of the Turkish customs duties from 8 per cent. to 11 per cent for a period of seven years.

I am instructed by His Majesty's Government to take the opportunity of the

signature of this Protocol to make the following communication to the Sublime Porte:—

The continued levy of the surcharge of 3 per cent. during the seven years must be dependent upon the continuance of the Sublime Porte to fulfil the engagements which they have undertaken to perform, during the time for which it is conceded. Should the signing of the contracts or the execution of the proposed works for the amelioration of the custom-house accommodation be unreasonably delayed, or should the Sublime Porte fail to carry out and maintain the improvements stipulated for in the Customs Administration and the conditions laid down in regard to the Civil Budget of the three vilayets, the Macedonian gendarmerie and the other kindred subjects in Macedonia, His Majesty's Government would regard itself as free to reconsider its consent to the 3 per cent. increase, or to concert with the other Powers as to what measures of control of the custom-houses would become necessary to secure that the additional customs revenue is effectually devoted to the objects for which it is intended.

I avail, &c.
(Signed) N. R. O'CONOR.

No. 157.

Sir N. O'Conor to Sir Edward Grey.—(*Received May* 13.)

Sir, *Constantinople, May* 6, 1907.

WITH reference to my despatch of the 25th ultimo, I have the honour to transmit to you the accompanying copy of a note which I have received from the Turkish Minister for Foreign Affairs relative to the increase of the Turkish customs duties.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 157.

Tewfik Pasha to Sir N. O'Conor.

M. l'Ambassadeur, *Ministère des Affaires Étrangères, le* 3 *Mai*, 1907.

J'AI eu l'honneur de recevoir la note que votre Excellence a bien voulu m'adresser le 25 courant, pour me faire part de certaines réserves du Gouvernement de Sa Majesté Britannique relatives à la signature du Protocole concernant la majoration douanière de 3 pour cent.

Tout en remerciant votre Excellence d'avoir apporté son concours bienveillant à la conclusion définitive des négociations relatives à la majoration des droits d'entrée, je crois devoir déclarer que le Gouvernement Impérial est fermement résolu à exécuter intégralement et loyalement toutes les décisions faisant partie de l'entente intervenue entre lui et les Ambassades des Six Grandes Puissances et qu'il n'y a pas lieu, dès lors, d'envisager ni la possibilité de leur manque d'exécution, ni des éventualités autres que celles prévues dans le Protocole que j'ai eu l'honneur de signer avec votre Excellence et les Représentants des autres Puissances.

Veuillez, &c.
(Signé) TEWFIK.

(Translation.)

M. l'Ambassadeur, *Ministry for Foreign Affairs, May* 3, 1907.

I HAVE had the honour to receive the note which your Excellency was good enough to address to me on the 25th instant, informing me of certain reservations made by the Government of His Britannic Majesty relative to the signing of the Protocol respecting the 3 per cent. customs increase.

While thanking your Excellency for having rendered your kind assistance in the final conclusion of the negotiations relative to the increase of the import duties, I have to state that the Imperial Government is firmly resolved loyally to carry out in their entirety all the decisions included in the understanding arrived at between it and the Ambassadors of the Six Great Powers, and that there is henceforward no cause for

contemplating the possibility of their not being carried out, nor of eventualities other than those dealt with in the Protocol which I had the honour to sign with your Excellency and the Representatives of the other Powers.

I have, &c.
(Signed) TEWFIK.

No. 158.

Sir N. O'Conor to Sir Edward Grey.—(*Received May* 21.)

Sir, *Constantinople, May* 13, 1907.

IN my despatch of the 9th March, I expressed the hope that I would shortly be in a position to furnish you with a Memorandum explaining the measures which the Central Customs Administration had adopted in fulfilment of the engagements assumed by the Sublime Porte in their *note verbale* of the 4th of that month, and showing the effect which had been given to the demands formulated in our *aide-mémoire* with respect to the reforms and improvements in the Turkish custom-houses.

I have now the honour to transmit a Memorandum by Mr. Weakley giving details of the measures which have been taken by the Customs Administration to carry out their undertakings with regard to—

1. Increased accommodation;
2. Personnel;
3. Porterage; and
4. The application of the new Customs Regulations.

With regard to No. 1, increased accommodation, it is satisfactory to note that the temporary structures which we demanded should be erected at several ports have been taken in hand, without exception, and the majority already completed. As regards the permanent buildings, plans and specifications have been prepared in every case, and a rough estimate of the work which the Sublime Porte has decided to carry out at the principal ports mentioned in our desiderata shows that the cost will be approximately as follows:—

	£
Smyrna	50,000
Beirout (in the event of the Quay Company not possessing the necessary funds)	28,000
Bussorah	9,000
Alexandretta (for the iron pier)	(?) 5,000
Jaffa	1,000
Mersina	2,500
Trebizond..	6,000
Bagdad	5,000

Making a total of 106,500*l.*, which already exceeds the sum of 100,000*l.* which the Porte has undertaken in its *note verbale* of the 4th March to set aside for customs improvements. The Porte has also appropriated certain sums for improvements at custom-houses other than those specified in our desiderata, and the work has in some cases already been completed.

I propose to deal in another despatch, in the Commercial series, with the question of the opportunities which may be created for British trade by the issue of invitations for tenders for the construction of the permanent buildings at the different ports and for the supply of the requsite materials.

Mr. Weakley is able to report that all our desiderata in regard to the porterage question have been satisfactorily met at Constantinople and Smyrna, and the Central Customs Administration has agreed to a 20 per cent. reduction of the inside tariff at the latter port on several important articles of British trade.

The new Regulations for customs formalities, hours of service of the employés, storage dues, and the treatment of commercial travellers' samples have now been issued to all the custom-houses of the Empire and are in full force; it is, however, as Mr. Weakley points out, too early as yet to form an accurate idea of the effect of these instructions. Some of them, moreover, cannot be properly applied till the increased accommodation contemplated at the different ports has been carried into effect. The French translation of the new Regulations is now published in pamphlet

form, and British importers will be able to obtain copies and to call the attention of His Majesty's Consular Representatives to any breach of the new Regulations affecting their merchandize, so that, if necessary, complaint can be made by His Majesty's Embassy to the Central Customs Administration.

Mr. Weakley refers to the very valuable concession which has been secured in regard to the question of the treatment of bunker coal, by which not only British men-of-war visiting Turkish waters, but the great majority of British merchant-steamers calling at ports in the Ottoman Empire, will derive substantial benefit.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 158.

Memorandum by Mr. Weakley.

I HAVE the honour to submit the following details regarding the measures which have been taken by the Customs Administration, and specified in the *note verbale* of the Porte dated the 4th March, 1907 :—

1. *Increased Accommodation.*

Constantinople.—The negotiations carried on between the Customs Administration and the Constantinople Quay Company for the construction by the latter of the new Customs buildings at Galata and Stamboul were brought to a satisfactory conclusion early in March. An Agreement containing all the conditions and stipulations with regard to the work of construction was drawn up and signed on the 16th March last by the Director-General of Customs, his Excellency Hassan Fehmi Pasha, and Mr. Pierre, the General Manager of the Quay Company.

The new buildings are to be completed within a period of two years and a-half, dating from the time of signature of the Agreement, but the Quay Company hope to be able to finish the work within two years' time. It is understood that the buildings and depôts on the Stamboul side will cover an area of 13,000 square metres, whilst those on the Galata quays will occupy a space of 7,000 square metres.

Plans and specifications have been already prepared, and the Quay Company are now inviting tenders for the supply of the material required for construction.

An endeavour was made by the Customs authorities last January to increase the storage accommodation of the Stamboul custom-house, and a temporary wooden structure covering a space of some 850 square metres was erected at a cost of about 80,000 piastres. This shed, which has been of doubtful utility, will have to be removed when the work of construction of the new buildings is taken in hand.

Smyrna.—The works to be carried out at this port for increasing the storage accommodation of the custom-house comprise the reclaiming of a considerable extent of land from the sea in front of the custom-house, which will be added to the quay area, on which the present Customs buildings stand. A sum of 3,260,000 piastres has been set aside for these works, as well as for the erection of suitable warehouses.

Tenders were invited for the work early in March through the local press, and the 7th April was fixed as the last day on which offers would be accepted. No offers whatever were received by the Administration, and, under these circumstances, no other course seemed at the time open than that of the undertaking of the work by the Customs Administration itself, or by the Ministry of Public Works. Unwilling to come to such a decision, the Director-General of Customs has endeavoured to induce the Smyrna Quay Company to take up the work. The efforts of his Excellency Hassan Fehmi Pasha in this direction have so far been successful that the General Manager of the Smyrna Quay Company has thought it worth while coming to Constantinople in order to discuss matters.

It has been ascertained that the scheme under discussion includes the reclaiming of some 5,500 square metres of land from the sea, the building of large warehouses, and the removal of the fish-market ("Baluk Hané"), which now adjoins the Customs premises, and is the property of the Quay Company, to another and more convenient spot. A time limit of eighteen months is to be fixed for the completion

of the works, and a guarantee for five years will be required for the upkeep of the new portion of the quay and the necessary repairs of the buildings.

The intrusting of the work to the Smyrna Quay Company would, without doubt, be most advantageous from every point of view, for, besides the experience they possess of the nature of the sea bed on which the foundations of the new quay area will rest, they are well equipped with all the necessary plant, and it is therefore to be hoped that the negotiations now on foot will terminate in a satisfactory arrangement which will permit of the works being taken in hand without loss of time.

Salonica.—The work which had to be undertaken immediately was the covering in of the space between the first and second stores. This work was commenced on the 9th April, and has now been completed.

Cranes.—An arrangement has been come to between the Customs and the Salonica Quay Company, by which the four new steam cranes standing on the quays, and owned by the Company, are to be utilized for the landing and shipping of goods.

These operations, which have hitherto been undertaken by the Customs Administration, have now been transferred to the Quay Company, with the stipulation, however, that the charges to be levied by the Company on merchandize for the use of the cranes are to be the same, and are not to exceed those hitherto collected by the Customs. The cranes were employed for the first time on the 11th April. By this arrangement the Customs Administration has been able to dispense with the necessity of purchasing the four cranes specified in the list of desiderata presented to the Porte by His Majesty's Embassy, and has thus found means of adequately satisfying the requirements of the trade of the locality.

Permanent Buildings.—Owing to a divergence of views which had arisen on certain points between the technical advisers of the Customs Administration and the engineers of the Quay Company, the preparation of the plans and specifications of the new Customs offices and buildings which are to be erected on the quays have been delayed. A complete understanding has, however, now been reached, the plans are being drawn up, and the Director-General of Customs hopes very shortly to be in a position to invite tenders.

Beirout.—The question of providing the custom-house of this port with adequate storage accommodation has been long under consideration, and the delay in putting up the necessary warehouses has, it appears, been entirely due to a serious divergence of views between the Customs Administration and the Beirout Port and Quay Company (a French concern).

It appears that the Convention of the Beirout Port and Quay Concession stipulates the erection of a number of warehouses for the storage of goods by and at the entire expense of the concessionnaires. These warehouses were, for all practical purposes, to be considered as Customs depôts, the Port and Quay Company having, however, the right to levy storage dues.

The Customs Administration maintain that these warehouses have not been built, and has at various times appealed to the Sublime Porte, as well as the Ministry of Public Works, in order that pressure should be brought to bear on the Company for the execution of its engagements. The Company, on the other hand, contend that the conditions of the Convention will be carried out as soon as an indemnity is paid the Company by the Government for the premises that will have to be appropriated.

The whole question has been gone into very thoroughly by the Director-General of Customs, and a full report was recently submitted to the Sublime Porte. The matter has now been referred to the Ministry of Public Works, and a decision will, it is expected, be shortly given.

An appropriation of 2,800,000 piastres has, however, been obtained by the Customs, which will be devoted to the necessary improvements at Beirout should the Quay Company be eventually found unable, through lack of funds, to put up the necessary buildings.

Trebizond.—Tenders for the construction of the new warehouse, which is to be devoted exclusively to the storage of merchandize in transit for Persia, were asked for by the local authorities on the 9th April. The expenditure authorized for this building under the special credits granted to the Customs Administration is 656,015 piastres,

or about £ T. 6,500. It is understood that this new transit store has to be built within two years' time, and it will, when completed, greatly increase the space at the disposal of the Customs for the storage of other merchandize.

Landing Pier.—The construction of a new landing stage is being taken in hand by municipality of the town, and work will be commenced as soon as the necessary material, some of which has been ordered from Batoum, has arrived.

Mersina.—A credit of 250,000 piastres has been obtained for the construction of new offices and depôts. The plans and specifications have been approved of, and instructions have been given for the immediate commencement of the work. Building operations were taken in hand on the 2nd April, and it is hoped the new premises will be finished in about five months' time.

Landing Stage.—A new iron pier is to be erected in front of the custom-house, and tenders for the work have been asked for locally. The Central Administration is obtaining copies of the plans and specifications from Mersina with a view of being able to invite tenders in Constantinople.

Alexandretta.—Telegraphic instructions were sent on the 7th April to the local Customs authorities for placing the space between the Customs offices and the warehouse under shelter. The work was commenced on the 11th April and has now been completed, and thus a space of about 750 metres square has been added to the existing storage accommodation of this custom-house.

Landing Pier.—The work of lengthening the wooden pier in front of the custom-house was begun on the 8th April and was completed by the 16th of the same month; 10 metres more have thus been added to this landing stage, but the whole structure has since been found unsafe. In view of the imperative necessity of providing this important custom-house with proper landing facilities, the Central Administration has decided to erect a strong iron pier in place of the present wooden structure. A credit of about £ T. 9,000 has been therefore obtained for this purpose, and it is proposed to construct a solid iron pier of 100 metres in length, and to purchase a powerful steam crane of a lifting capacity of about 4 tons, which will be placed on the pier. It is also proposed to lay a line of rails on the pier leading to the entrance of the Customs depôt, and suitable trolleys will be used for the transport of goods to and from the depôt to the pier head.

The plans and specifications for this new pier have only just been drawn up, and tenders will very shortly be invited for the work.

Jaffa.—The work to be taken in hand immediately at this port was the covering of the space in front of the custom-house, the building of a landing stage, and the placing of a suitable steam crane in order to facilitate the landing of goods.

Operations were actively commenced on the 9th April under the superintendence of the Governor of Jerusalem, who had received instructions to go to Jaffa for that purpose. The whole of the work was to have been completed by the 20th April, and telegraphic advices which have now been received report the termination of all the work. The necessary crane has also been ordered. By the covering of this space some 432 square metres of extra room has been added, and, with the wooden landing stage, which has just been erected, and which is 12 metres long by 3½ metres wide, considerable facilities have been afforded for the carrying out of customs formalities and operations, both as regards passengers and merchandize, pending the putting up of new and larger premises.

New Premises.—Two plans of the projected new buildings have been drawn up and already submitted to the Central Administration, but the one which seems to have found most favour locally, and which would appear likely to receive consideration at head-quarters, is a third project which has only recently been received from Jaffa. It is understood that this project comprises the filling up of the sea in front of the present Customs buildings, and the erection of the new buildings and depôts on the part of the reclaimed land. The estimated expenditure for reclaiming the necessary land is £ T. 30,400, whilst the cost of the new buildings is put down at £ T. 19,000. The carrying out of this project will require a considerable length of time, and will entail a much larger expenditure than that contemplated in either of the two former projects, but it is claimed that the third proposal offers greater advantages to trade, whilst the cost would eventually be very largely reduced by the proceeds of the sale of valuable plots of land, reclaimed from the sea, and belonging to the Administration.

Bagdad.—The plans and specifications of the new Customs buildings and wharf, were forwarded to Constantinople by the Bagdad authorities on the 16th April, but have not yet arrived.

Bussorah.—The appropriation originally obtained by the Customs Department of 530,519 piastres for the construction of new offices, depôts, and a landing stage at Bussorah was, after the examination of all the requirements of the locality, found to be insufficient, and a further credit of 452,968 piastres was applied for and obtained, thus bringing the total amount available for improvements to 983,487 piastres. The plans and specifications drawn up by local experts have been examined and approved of by the technical advisers of the Customs, and instructions for the immediate commencement of the work were telegraphed to the local authorities. A special Commission, under the presidency of the Governor-General of Bussorah, has been formed to supervise the work, and orders have already been placed for the necessary material. It is, however, feared that the high rise of the river may possibly delay operations, and advices just received state that the work could not possibly be undertaken before the beginning of June owing to the river being in full flood.

All the above details tend to show that the Customs Administration is actively engaged in carrying out the engagements entered into by the Porte. It has also been ascertained that improvements have been effected in the custom-houses of certain localities not mentioned in the list of desiderata presented by His Majesty's Embassy. Improvements have been completed at the following places :—

	Piastres.
Karagiozler and Kilisséköulé (Adrianople), Dérindjé (Haidar Pasha).—New buildings	278,116
Akka.—New offices	41,800
Rhodes.—Sea wall in front of custom-house	4,750
Brakova, Avramova, Karatash (Salonica).—New offices	96,000
Kara Aghatch (Salonica district).—Purchase of building	30,000
Rizeh (Trebizond district).—Roofing in of sheds	4,845
Smyrna.—Enlarging of store for goods left in kind	7,775

Orders have also been given for the commencement of work in the custom-houses of the following localities :—

	Piastres.
Moudania.—New Customs buildings	344,131
Benghazi.—New buildings	300,712
Kerrazond (Trebizond district).—Purchase of land for new buildings	85,000
Dédéaghatch.—New offices	74,468
Rizeh (Trebizond district).—New offices	52,945
Djunia.—Buildings for housing members of preventive service	10,476
Samsoun.—New shed	17,456
Aktchai.—New buildings	13,110
Avlonia.—New offices	67,770
Erzeroum.—New offices at Hoi Kehou	19,394
Mesrata (Tripoli in Barbary).—New offices	32,423
Banias (Beirout district).—New buildings	13,997
Rashka (Trebizond).—New offices	10,670
Smyrna.—Extension of shed in front of import depôt	5,712
Beirout.—Buildings for members of preventive service	7,826
Trebizond.—Extension of depôt	10,782
Constantinople.—Repair of huts used by preventive service	50,000

2. *Personnel.*

The list accompanying the *note verbale* of the Porte of the 4th March, 1907, showed that 245 new employés were to be appointed to different custom-houses, and that this increase of the personnel, as well as the increase of the salaries of some of the members of the actual staff, would entail an extra monthly expenditure of 133,875 piastres.

An increase of staff was to be made in the custom-houses of the following ports and towns :—

	Number of New Employés.
Beirout and dependencies (including Jaffa)	63
Salonica and dependencies	83
Alexandretta and dependencies (including Mersina)	10
Adrianople	11
Bussorah (Mudiriet)	4
Mitylene	1
Tripoli in Barbary	9
Mount Athos	7
Constantinople (Stamboul and Galata)	57
Total	245

The Central Administration has already authorized the Directors of the various custom-houses mentioned to proceed with the appointment of new employés, and to forward the necessary returns to the Central Department for the confirmation of the appointments.

Some little difficulty has been experienced in finding suitable employés for the various posts, but very considerable progress has already been made in increasing the staffs of most of the custom-houses. The Customs analysts have all been appointed, and most of them have joined their posts; the analysts for Bagdad and Bussorah have been appointed, but have not yet left Constantinople.

3. *Porterage.*

The Regulations and tariffs regarding the porterage service of the Galata and Stamboul Custom-houses, which were sanctioned by Imperial Iradé and communicated to His Majesty's Embassy by the Porte in its *note verbale* of the 4th March last, represent the results obtained during the informal negotiations which took place between His Majesty's Embassy and the Central Administration on the question of customs reforms.

Whilst the tariffs of transport charges of the different loads and zones remain the same as those which have hitherto been in force, the Regulations have been brought up to date and made to conform, in a very large measure, with the desiderata put forward by His Majesty's Embassy. The Customs authorities are now, under the new Regulations (Articles 3 and 4) vested with powers of control over the porters employed in the custom-houses, and under certain conditions (see Article 18) assume responsibility for all damage or loss caused by porters to merchandize (desideratum (*a*)).

A new form of hook, which it is claimed will do no damage to bales and cases, has been adopted, and its use by the porters has been made compulsory (desideratum (*b*)).

The right of merchants to employ their own conveyances for the transport of their goods from the custom-house to their stores, on payment of the rate of porterage fixed for the first zone, is confirmed by the second paragraph of Article 15 (desideratum (*c*)).

Article 6 of the Regulations defines the limit of the first zone on the Galata side (desideratum (*d*)), whilst desideratum (*e*), regarding the determination of the weight of pole loads, desideratum (*f*), the charges for transport by means of hand-carts, and desideratum (*g*), the rates of porterage for heavy goods, have been satisfactorily dealt with in Articles 11 and 12.

Smyrna.—In the course of the informal negotiations with the Customs Administration it was ascertained that the transport service of the Smyrna Customs was divided into two distinct branches—the indoor porterage service, viz., the porterage of goods in the interior of the Customs depôts, paid and maintained by the Customs Administration, and an outdoor service, maintained by the head of the Constantinople Customs Porter Guild, who, as in Constantinople, also enjoys the monopoly of transport of goods in Smyrna from the Customs to the various quarters of that city. Each service has a special tariff of transport charges.

The attention of the local Commission which, under the presidency of the Inspector-General of Customs, was formed last year for the purpose of considering, among other customs questions, that of porterage was apparently limited to the

indoor service, and the reductions of the rates on certain classes of merchandize in the tariff of transport, as well as the additions made to the number of porters and the increase of wages, were measures which only therefore affected the particular branch which is under the immediate control of the Customs.

An endeavour was made during the informal negotiations with the Central Administration, to secure further reductions in the tariff of indoor porterage, but it was proved by official figures that no sensible reduction of charges was possible at present. The returns for the last five years show that the annual receipts from the indoor porterage service have been on an average about 925,478 piastres, with an expenditure of 311,400 piastres, leaving an annual net profit of 614,078 piastres.

Expenditure has, however, been very considerably increased since last year, owing to the adoption of the recommendations of the Special Commission.

	Piastres.
The annual expenditure is now stated to be	698,190
Reductions in the tariff equal	196,088
	894,278
Which leaves a small balance of	31,200
Total	925,478

This balance is supplemented by some 25,000 piastres, derived from various sources connected with the porterage service, so that the Customs expect to realize a small sum of some £T. 560 at the end of the year, which is to be put aside and devoted to further improvements which may eventually be found necessary.

In the course of the negotiations, however, a reduction of 20 per cent. of the tariff was consented to by his Excellency Hassan Fehmi Pasha on the following articles: Copper, hardware, machinery, iron bedsteads, jute bags, hempen goods, and linseed oil.

It was further agreed that all receipts derived from indoor porterage should be entirely set aside for that service, and that any balance remaining over and above expenditure should be used exclusively for improving that special service. It was also arranged that the present tariff should remain in force for three years, and at the expiration of that period it should be examined with a view of reducing the rates where possible. This revised tariff would then come up for examination and revision every five years, local merchants, both native and foreign, being consulted at the time of every revision.

Outdoor Porterage.—As regards the outdoor porterage, it was found impossible to obtain any reductions in the rates, but the Director-General of Customs consented to recommend that merchants should have the right to transport their own goods from the custom-house to any part of the city, using their own conveyances for the purpose, on payment of half the rates fixed for the first zone.

These important measures have been sanctioned by Imperial Iradé, and are embodied in the new Regulations (Articles 2, 3, and 5 of "Instructions concernant le Hamalage des Douanes de Smyrne") which have come into force.

Beirout.—The porterage service of the Customs is, under an agreement made with the Port and Quay Company, entirely undertaken by the latter, and steps are being taken by the Customs Administration to insure the proper carrying out of the engagements entered into by the Company concerning this service.

The special instructions issued concerning customs formalities, copy of which was annexed to the *note verbale* of the Porte of the 4th March, 1907, deal with desiderata No. 4, official hours of business; No. 5, "ardié" (storage charges); No. 6, customs formalities; and No. 8, commercial travellers' samples, for which a special set of Regulations has been framed. It is to be observed that the question of weighing charges (No. 7) has been dealt with in Article 13 of the Constantinople Porterage Regulations.

These special instructions were communicated by the Director-General to all the custom-houses of the Empire by the 14th March, and they are now in full force.

With a view of giving the widest publicity to the new Regulations, the Central Administration has been induced to have the Turkish texts, with their official French translations, printed and issued to the public in pamphlet form. Copies of all these Regulations can now be obtained at most of the principal custom-houses, and the trading public therefore have now been afforded the means of seeing that they derive the full benefit of the various improvements which have been introduced.

It is, however, too early yet to be able to form an idea of the effect which the application of these new instructions has produced, and some time must necessarily elapse before the officials and the public become thoroughly familiar with the arrangements which have been introduced. Besides this, some of the facilities granted under these Regulations, especially those connected strictly with formalities (Articles 4 and 6) can scarcely be expected to receive their full measure of development until the decisions for providing new Customs buildings and increased storage accommodation have been carried out.

It is necessary to draw attention to the very satisfactory manner in which the important question of the treatment of bunker coal has been dealt with in the Regulations. This question does not, strictly speaking, come under any one of the eight points, but a clear definition of the treatment to which imported coal is to be subjected was so very essential that it was included in the list of desiderata presented to the Porte.

Foreign coal is now allowed, under Article 9 of the "Instructions spéciales concernant les Formalités Douanières," to be imported free of duty on condition that it is stored in depôts and warehouses under the control of the Customs. This measure establishes the system of bonded stores for coal in all the ports of the Turkish Empire, and renders the importation of coal, hitherto limited to the few trading houses holding special permits for "privileged coal stores," free to all.

The full amount of import duty is to be levied on all quantities of coal delivered from these bonded stores for local consumption, or to steamers exclusively engaged in the coasting trade in inland Ottoman waters.

On the other hand, coal from these stores will be exempt from the payment of all duty when delivered to—

1. Vessels having both termini (port of departure and ultimate destination) in a foreign country; or
2. One of their termini (either port of departure or ultimate destination) in a foreign country.
3. Mail-boats calling at Ottoman ports and carrying Ottoman mails free of charge.
4. All foreign war-vessels.
5. All vessels calling at Ottoman ports and plying outside inland waters and which transport Ottoman mails free of charge.

A stipulation at the end of Article 9 makes it clear that coal stored in warehouses other than those under direct Customs surveillance cannot enjoy the special treatment mentioned in the Article.

The question of the rates fixed by the Customs for the conversion of foreign moneys into Turkish piastres has received satisfactory solution, and Article 10 of the "Instructions" defines the method of conversion.

Whenever it is found necessary to have recourse to original invoices for the purpose of determining the values of certain classes of merchandize, the conversion of the amounts shown in such invoices is to be made at the market rate for foreign moneys, the Turkish medjidié being calculated at the usual official rate of 19 piastres. Fifteen per cent. is to be added on to the amounts of such invoices as only show the cost of the goods at the shipping port, viz., values f.o.b., and 10 per cent. on to amounts which include cost as well as freight and insurance charges. Import duty is to be calculated on the amounts thus reduced to Turkish money, subject to the usual 10 per cent. discount allowed when duty is paid in cash.

Constantinople, May 6, 1907.

No. 159.

Sir N. O'Conor to Sir Edward Grey.—(*Received May* 21.)

Sir, *Constantinople, May* 13, 1907.

THE Memorandum, drawn up by Mr. Weakley, which I am forwarding in my despatch of to-day's date, gives information as to the different buildings and structures which the Sublime Porte have decided to erect at the principal ports of the Empire in fulfilment of the engagements which they have assumed with regard to the improvements of the Turkish custom-houses.

With regard to possible openings for British trade arising from the placing of these works out to contract, I think it well that I should explain that at Constantinople, Smyrna, Salonica, and Beyrout, the French Companies which own the quays at these ports are in a particularly favourable position for carrying out such work, and enjoy special advantages which they derive naturally from their close relationship with the Customs Administration. Should the contracts be awarded to foreign firms the quality of the work would certainly suffer by the loss of the special local advantages which the Quay Companies possess over all other competitors.

The arrangement come to between the Central Customs Administration and the Constantinople Quay Company has already been fully reported; and in my despatch of the 19th ultimo, I forwarded copy of the plans and specifications for the iron framework to be used in the buildings, for which the Quay Company were inviting tenders.

The work of a permanent character projected at Smyrna comprises the reclaiming of a considerable extent of land from the sea, and is of such a nature that it seemed to me very unlikely that any firm ignorant of the local conditions would be willing to compete for the contract against the Smyrna Quay Company, who, by their previous experience and special facilities, are in a peculiarly favourable position for carrying it out.

Invitations for tenders were issued locally early in March, and the period for tendering expired on the 7th April, by which date no offers had been received. As I reported elsewhere, I had called the attention of the manager of the Smyrna-Aidin Railway to the matter, but he informed me that he was unable to undertake work of this character. The Customs Administration then approached the Smyrna Quay Company, and at the time I received your telegram of the 26th ultimo, negotiations with the Company were so far advanced that, having regard to the considerations above mentioned, I did not feel justified in delaying the execution of this urgently-needed construction by insisting on the specifications being advertised in England on the remote chance of their attracting British competition.

The erection of the increased storage accommodation at Beyrout has been for a long time under negotiation between the local Customs Administration and the Beyrout Port and Quay Company, the latter being bound by the terms of their concession to erect a number of warehouses which are to serve as Customs depôts. Should the Customs Administration be unable to come to terms with the Company, they will doubtless invite tenders for the works, in which case I shall not fail to secure due notice for British firms. At any rate, I shall endeavour to secure that British firms shall have an opportunity to tender for materials.

The preparation of the plans and specifications of the new Customs offices and buildings at Salonica have suffered some delay, but as soon as the Director-General of Customs issues notices calling for tenders for this work I will not fail to send the necessary particulars for the use of the Commercial Intelligence Division of the Board of Trade. I would, however, point out that, as in the case of Smyrna and Beyrout, the Quay Company has the advantage of local experience and special facilities, and will therefore probably be in the position to offer the most advantageous terms.

As regards the contracts at other ports, I have already transmitted to you the plans and specifications for the new iron pier to be erected at Alexandretta.

In the remaining cases where tenders are invited I shall not fail to secure due notice for British firms, though, as will be seen from Mr. Weakley's above-mentioned Memorandum, the work is not of a sufficiently important character to be likely to attract contractors in Great Britain.

I have, &c.
(Signed) N. R. O'CONOR.

P.S.—Since writing the above I have learned that the negotiations between the Customs Administration and the Smyrna Quay Company have been satisfactorily concluded. The total cost of the improvements, which will necessitate the reclaiming of 5,750 square metres of land, will be about £ T. 49,000, or considerably more than the sum originally appropriated for Smyrna, and the Director-General has asked for the further appropriation required. The work is to be completed in eighteen months, and the Quay Company guarantee the up-keep of the new portion of the quay as well as the buildings for a term of five years.

N. R. O'C.

APPENDIX No. 1.

Règlement des Mines sanctionné par Iradé Impérial.

Chapitre 1er.—*Classification des Substances Minérales.*

ARTICLE 1er. Les substances minérales se trouvant au-dessous du sol ou à la surface sont classées, suivant les règles de leur exploitation, en trois catégories. La première est appelée mines ; la seconde, minières ; et la troisième, carrières. Les dispositions de ce Règlement ne concernent que les deux premières classes, les carrières étant régies par un Règlement spécial.

Art. 2. Sont considérées comme mines celles qui contiennent en filons, couches, ou amas, existant dans la profondeur de la terre, des matières minérales telles que l'or, l'argent, le platine, le mercure, le plomb, le fer, le cuivre, l'étain, le zinc, le bismuth, le cobalt, le nickel, l'arsenic, le manganèse, l'antimoine, l'aluminium, et d'autres substances analogues, ainsi que l'ambre, le soufre, l'alun, le graphite, le charbon de terre de toute espèce, le bitume, le naphte, l'asphalte, le pétrole, et d'autres substances minières analogues, les pierres précieuses de toute sorte, l'émeri, l'écume de mer, les différentes substances contenant des matières boratées, le sel gemme, les eaux salées, eaux naturelles salées et cuivreuses, et enfin les eaux minérales chaudes et froides.

Art. 3. Les minières comprennent les substances minérales qui se trouvent d'une manière irrégulière à la surface du sol et qui peuvent être exploitées par des travaux superficiels telles que les minerais de fer, les terres pyriteuses qui peuvent être transformées en sulfate de fer, les terres minières, sablonneuses, et alumineuses, les scories et la tourbe.

Chapitre II.—*Dispositions Générales.*

Art. 4. Les mines et les minières ne peuvent être exploitées qu'en vertu d'un Iradé Impérial.

Art. 5. L'exploitation des mines est accordée à leurs concessionnaires pour une durée de quatre-vingt-dix-neuf ans. Néanmoins, le chrome, l'émeri, les matières boratées, et d'autres substances minérales analogues, qui ne se trouvent pas à l'état de filon, mais exclusivement en amas, peuvent être concédées, suivant l'appréciation de l'Administration des Mines, pour un autre terme qui ne doit pas dépasser quatre-vingt-dix-neuf ans ni être moindre de quarante ans. Pendant le délai de la Concession, les mines peuvent être vendues à des tiers. Elles peuvent aussi être transférées par héritage.

Les formalités de ce transfert sont faites à l'Administration des Mines en présence des deux parties ; le transfert est consigné dans un registre spécial et un Ilmu Khaber constatant ces formalités est délivré. Toutefois, les formalités de transfert ne peuvent pas retarder l'exécution des conditions stipulées dans le présent Règlement.

Art. 6. Sont regardés comme immeubles : les machines, édifices, puits, galeries, et autres constructions qui, pour l'exploitation des mines, sont établies de manière à rester sur la même place, les chevaux dont on se sert dans les galeries, tous les outils et appareils employés pour l'exploitation, le transport, le nettoyage, et l'épuration des minerais, ainsi que les approvisionnements nécessaires pour une année. Ces immeubles ne peuvent être saisis ni vendus pour dettes.

Art. 7. Sont regardés comme meubles : les autres objets employés pour l'exploitation, les substances minérales extraites, les actions, et les dividendes.

Art. 8. La Concession des mines découvertes dans des terrains privés ou des terrains Vakouf réels (Arazii Mevkouféi Sahiha) a lieu en conformité des dispositions du présent Règlement. Seulement le cinquième de la redevance proportionnelle qui sera perçue reviendra à l'Administration des Mines et le restant au propriétaire du terrain ou au Vakouf.

Chapitre III.—*De la Recherche des Mines.*

Art. 9. Les recherches que le propriétaire d'une terre voudra y effectuer sont subordonnées à l'obtention d'un certificat (Ilmu Khaber). Dans les terres dont le propriétaire n'aurait pas donné son consentement, ainsi que dans les terres domaniales " Khaliés " ces recherches ne pourront être entreprises que sur un permis spécialement délivré à cet effet.

Art. 10. Pour obtenir un Ilmu Khaber ou un permis de recherches, on doit s'adresser par requête au Gouverneur-Général de la province où les recherches doivent être effectuées ou au Mutessarif, si elles doivent avoir lieu dans les sandjiaks non dépendants. Cette requête sera, à sa remise, inscrite sur un registre spécial et un récépissé sera délivré immédiatement au requérant afin d'établir son droit de priorité. Si après les constatations nécessaires, il est établi qu'il n'existe aucun des empêchements mentionnés dans l'Article 13, l'Ilmu Khaber ou le permis nécessaire sera délivré et avis en sera donné immédiatement au Département de l'Agriculture et des Mines et Forêts par télégramme et ensuite par un Rapport portant la même date. Ce Département examinera le permis et, s'il le trouve conforme au Règlement, il fera aux autorités locales, dans un délai de quatre mois, les communications nécessaires pour les informer qu'il l'approuve et le confirme. Dans le cas où il le trouverait contraire aux dispositions du présent Règlement, il le fera connaître à la Sublime Porte dans le même délai en lui exposant les motifs et lui transmettant les Rapports des autorités locales relatifs à l'affaire. La personne ou la Société sollicitant le permis pourra également s'adresser à la Sublime Porte, où une décision sera prise par le Conseil d'État ou le Conseil des Ministres dans le délai de quatre mois ; le Palais Impérial en sera également informé.

Toutes ces formalités et décisions seront accomplies dans le délai de huit mois et le permis délivré par les autorités locales aura, conformément à l'Article 22, tout son effet dans le cas où aucune communication ne leur serait faite pour la communication ou l'annulation du dit permis et les recherches seront entreprises. Ces deux délais commencent à courir à partir de la date du télégramme et du rapport communiqués au Département des Mines. Aussi, ce Département sera-t-il avisé télégraphiquement par le Gouverneur-Général ou le Mutessarif du sandjiak non dépendant du jour où le dit Rapport aura été consigné à la poste.

Art. 11. Sur le registre mentionné dans l'Article précédent, seront indiqués le nom du pétitionnaire, la date à laquelle la requête a été remise, un résumé de son contenu et la teneur de l'Ilmu Khaber ou du permis, si ces actes sont délivrés. Si ces actes ne sont pas délivrés, ou si, après leur délivrance, ils sont annulés par suite de la non-observation des conditions réglementaires par le pétitionnaire ainsi déchu de son droit de recherches, les motifs en seront mentionnés dans le dit registre. Ce registre, qui contiendra les inscriptions précitées et qui devra être partout uniforme, sera confectionné et paginé par le Département des Mines, qui en fera parvenir les exemplaires aux vilayets et aux sandjiaks non dépendants.

Art. 12. Aucun Ilmu Khaber ni permis ne sera délivré pour des recherches à effectuer soit sur les terres privées, soit sur les terres domaniales " Khaliés," situées à Constantinople et dans la banlieue ou dans les parties des deux côtés des détroits comprises dans la zone militaire, et enfin sur les frontières de l'Empire.

Art. 13. Les recherches sont interdites dans les villes et les bourgs ainsi que dans les lieux publics, tels que marchés, jardins, et places appartenant à un ou aux plusieurs villages ou bourgs.

L'Ilmu Khaber ou permis de recherches ne sera pas délivré non plus pour les pâturages, forêts, et autres parties du domaine public, si l'expertise effectuée à ce sujet établit que les fouilles et travaux d'exploitation restreindraient ou gêneraient les besoins des habitants des villages ou bourgs où ils doivent être effectués. De même l'autorisation ne sera pas accordée s'il est constaté qu'il se trouve dans le terrain où ces recherches doivent être effectuées ou dans son voisinage des édifices Impériaux, des constructions gouvernementales publiques ou religieuses, des forteresses, des fortifications et autres constructions militaires auxquels les travaux de recherches pourraient causer préjudice.

Art. 14. Il est défendu de pratiquer des sondages, de forer des puits, d'élever des fourneaux et de construire des dépôts, pour y installer des instruments miniers dans les endroits entourés de quatre côtés par un mur d'enclos, dans les cours et jardins ainsi qu'à une distance de 500 archines à la ronde, sans obtenir au préalable le consentement du propriétaire de ces endroits.

Art. 15. La Pétition qui sera présentée pour l'obtention d'un permis de recherches doit contenir les noms et prénoms, la nationalité, et le domicile du pétitionnaire et de son ou de ses associés, s'il en a, la situation et les limites du terrain où les recherches seront effectuées, avec indication du sandjiak et district dont il dépend, de la nature du minerai à rechercher, de la catégorie à laquelle appartient le terrain et, si celui-ci est une propriété privée, les noms et prénoms des propriétaires, ainsi que l'engagement d'indemniser les propriétaires des dommages qui pourraient leur résulter à la suite des travaux de recherches et d'exploitation et dont le payement incombe au rechercheur. Elle contiendra en outre la déclaration de ne réclamer aucune dépense ni de dommages-intérêts dans le cas où l'Ilmu Khaber ou le permis de recherches ne serait pas accordé pour les causes d'empêchement mentionnées à l'Article 13; la Pétition sera accompagnée d'un croquis représentant les limites du terrain qui devront être tracées par des lignes droites reliant les points fixes.

Si l'autorisation est demandée au nom d'une Société anonyme, la Pétition devra être accompagnée des actes constatant que cette Société est reconnue par le Gouvernement Impérial.

Art. 16. L'étendue du terrain à fixer par un permis à la recherche d'une mine sera déterminée suivant la nature et l'espèce du minerai à rechercher et les nécessités techniques; le croquis y relatif sera dressé en conséquence.

Art. 17. L'expertise à effectuer par le vilayet ou le sandjiak non dépendant à la suite des requêtes présentées en vue de l'obtention d'un permis de recherches sera complétée et une décision prise dans un délai de six mois à partir de la date de cette requête. Cette expertise sera effectuée sur place et en présence du pétitionnaire, ou de son fondé de pouvoirs dûment contitué, par une Commission composée d'un délégué du Conseil d'Administration du caza ou du sandjiak où les recherches seront effectuées et d'un membre du Conseil des Anciens de la localité ou le Moukhtar, ainsi que de l'Ingénieur des Mines du vilayet.

Le Rapport relatif à l'expertise de cette Commission sera examiné par le Conseil Administratif du caza ou du sandjiak, et le Mazbata contenant le résultat de cet examen sera envoyé au Gouverneur-Général ou au Mutessarif dans les sandjiaks non dépendants. Le Conseil d'Administration du vilayet ou du sandjiak non dépendant examinera le dossier, et s'il n'existe aucun des empêchements indiqués à l'Article 13, l'Ilmu Khaber ou le permis de recherches nécessaire sera délivré au pétitionnaire après qu'il aura fourni un garant.

Art. 18. Il sera stipulé dans l'Ilmu Khaber ou le permis de recherches que le rechercheur est obligé d'indiquer préalablement aux autorités la nature et la quantité des articles, tels que poudre et mèches nécessaires pour les travaux, et d'en obtenir un autorisation spéciale en leur fournissant des garanties comme quoi ces articles serviront exclusivement à l'usage précité, et que les recherches ne seront pas poussées jusqu'à proximité des fortifications et forteresses.

L'étendue et les limites de la mine telles qu'elles sont fixées y seront aussi inscrites.

Art. 19. Un droit de £ T. 3 à £ T. 5 sera perçu sur les Ilmu Khaber de recherches. Les permis de recherches seront, suivant l'étendue du terrain à rechercher, assujettis à une taxe de £ T. 5 au minimum, de £ T. 10 en moyenne, et de £ T. 15 au maximum.

Art. 20. Les permis de recherches sont délivrés pour une période ne dépassant pas un an à partir de la date où ils seront valables conformément à l'Article 10. Toutefois, s'il est constaté que, pendant cette période, le permissionnaire a pris des dispositions sérieuses pour l'exécution des travaux, le dit délai sera, pour une seule fois, prolongé encore d'un an avec renouvellement des mêmes conditions.

Art. 21. Les Pétitions présentées en vue de l'obtention de permis de recherches seront considérées comme nulles si les pétitionnaires ne les poursuivent pas dans le délai de six mois à partir du jour de leur réception, et il n'y aura pas besoin d'en aviser ces derniers.

Les pétitionnaires qui, après l'accomplissement de toutes les formalités, ne s'adressent pas aux autorités Impériales pour obtenir le permis de recherches dans un délai de deux mois à partir de la date de la notification qui leur aura été faite par l'entremise du notariat, ou, en cas que leur domicile ne serait pas connu, ou qu'on ne pourrait le découvrir, à partir de celle de l'avis qui sera publié dans les journaux de Constantinople et dans les Gazettes Officielles des vilayets ou des sandjiaks non dépendants, seront déchus de leurs droits, et mention en sera faite sur le registre spécial.

Tout différend surgi entre les autorités du vilayet ou du sandjiak et le pétition-

naire à propos des permis de recherches sera examiné en première instance par le Département de l'Agriculture et des Mines et Forêts, et en second ressort par le Conseil d'État.

Art. 22. Dans le cas où, à la suite des renseignements fournis par les fonctionnaires de police du vilayet, il serait légalement prouvé que la personne qui a obtenu un permis de recherches, et qui se trouve, suivant la règle, sous la surveillance constante des autorités, se livre, sous prétexte de recherches, à des actes de nature à troubler l'ordre et la sécurité publics, ou si le rechercheur n'a pas présenté dans le délai fixé premièrement ou prolongé dans la suite la Pétition, avec annexes, pour demander la Concession conformément aux dispositions du Chapitre 4, relatif à la Concession et à l'exploitation des mines, le permis sera annulé, annotation en sera faite dans le registre spécial, et avis, à ce sujet, sera publié dans les journaux. Un nouveau permis est délivré à un pétitionnaire, et le rechercheur précédent n'aura le droit de réclamer aucuns dommages-intérêts ni frais du fait de l'annulation de son permis.

Art. 23. La personne ou la Société permissionnaire pourra céder ou transférer son permis à des tiers en conformité d'un ordre qui sera transmis par la Sublime Porte à la base d'une décision du Conseil des Ministres rendue sur le Mazbata que le Département des Mines lui soumettra dans un délai de quatre mois après études nécessaires faites par le Conseil Administratif du vilayet ou sandjiak non dépendant. Si la Sublime Porte ne transmet aucun ordre à ce sujet dans le délai de quatre mois, le Département des Mines procédera à la formalité du transfert.

La personne au nom de laquelle le transfert aura lieu doit réunir toutes les conditions qui avaient été requises du premier permissionnaire. Un droit équivalent à la moitié de celui payé pour la première fois sera perçu lors du transfert. Le délai de huit mois fixé pour l'accomplissement de la formalité du transfert sera considéré pour une seule fois comme ayant été ajouté à celui indiqué sur le permis à céder.

Art. 24. Si le permissionnaire, renonçant aux recherches, abandonne la mine, il sera autorisé à transporter et à vendre les substances minérales extraites pendant les travaux d'exploration après avoir payé le maximum de la redevance proportionnelle spécifiée dans l'Article 50 suivant l'espèce du minerai.

Art. 25. Aucune autorisation ne pourra être accordée à d'autres personnes pour effectuer des recherches pour la même substance minérale dans les limites et pendant la durée indiquées sur un permis déjà délivré.

Art. 26. Dans le cas où le permissionnaire désirerait envoyer en Europe un spécimen de la substance recherchée pour en connaître le prix, il sera autorisé à en exporter jusqu'à 100 tonnes après avoir payé la redevance proportionnelle y afférente suivant l'espèce du minerai. Cette quantité pourra, sur la demande du permissionnaire, être portée jusqu'à 2,000 tonnes après perception du maximum du droit proportionnel auquel la substance est assujettie.

Art. 27. La valeur de la substance extraite sera déterminée d'après les cours en Europe, défalcation faite du fret entre le port d'exportation et le lieu de destination et des frais de traitement.

Art. 28. Les permissionnaires qui contreviendront aux Articles 24, 26, et 27 seront passibles d'une amende de £ T. 25 à £ T. 100 et leurs permis leur seront retirés. S'ils ont vendu, sans autorisation, des substances minérales, ils payeront, en outre, le double de la redevance y afférente sur le produit de la vente.

Art. 29. Les autorités locales veilleront à ce que les matières telles que poudre et mèches dont l'emploi dans les travaux de recherches aurait été autorisé par le Gouvernement ne soient point détournées de leur destination et que pendant les recherches aucun empiètement ne soit commis sur les droits de la population. Elles exerceront aussi une stricte surveillance pour qu'aucun fait ni procédé contraire à la haute volonté Impériale ne puisse se produire. Les permissionnaires qui y contreviendront en seront tenus responsables.

Chapitre IV.—*Conditions relatives à la Concession et à l'Exploitation des Mines.*

Art. 30. Des permis pour l'exploitation des mines peuvent être délivrés aux sujets Ottomans ou aux sujets des Puissances étrangères qui ont adhéré à la Loi de 1293, concédant aux étrangers le droit de procéder dans l'Empire, s'ils en font la demande soit isolément, soit en Société, à condition de se conformer aux lois actuelles et à venir de l'Empire.

Les fonctionnaires du Gouvernement Impérial et ceux des Puissances étrangères, à quelques classes qu'ils appartiennent, ainsi que leurs parents, ne peuvent obtenir la Concession de l'exploitation d'une mine dans les limites de leurs circonscriptions Cette défense s'étend également à ceux qui, tout en étant fonctionnaires, sont autorisées à exercer un commerce ou une industrie.

Art. 31. Toute autorisation pour l'exploitation d'une mine sera précédée d'une enquête pour constater si : (1) l'exploitation de la mine découverte est possible ; (2) cette exploitation ne causerait par la cessation des travaux d'exploitation d'une autre mine qui serait située dans le voisinage ; (3) cette exploitation ne causerait pas de dommages aux forteresses et aux fortifications, si de pareils ouvrages se trouvent dans les limites des travaux.

Art. 32. S'il est décidé d'accorder la Concession d'une mine à un autre qu'à celui qui l'a découverte, soit parce que celui-ci n'a pu remplir les prescriptions du Règlement, soit parce qu'il a causé des dégâts à une autre mine située à proximité de celle qu'il avait découverte, soit enfin qu'il n'a pas prouvé sa capacité de poursuivre sa Pétition, une indemnité lui sera accordée pour son droit de découverte. Cette indemnité, qui sera équivalente au total des dépenses effectuées pour les recherches, de la somme à payer par jour au rechercheur suivant ses conditions et ne dépassant par une demi livre Turque, et d'une récompense de 5 pour cent tout au plus des revenus nets de la mine, sera déterminée par le Département des Mines et inscrite dans le Firman Impérial, pour être payée par le concessionnaire ; jusqu'au payement de la dite indemnité la mine concédée est considérée comme vendue par vente à réméré en faveur des créanciers. En cas de divergence d'opinion sur le montant de l'indemnité fixée par l'Administration des Mines, la question sera examinée et décidée en appel par le Conseil d'État. Mais cet examen ne peut retarder la formalité de la Concession.

Art. 33. Ceux qui, ayant obtenu le droit de recherches, demanderont la Concession de la mine qu'ils ont découverte, s'adresseront tout d'abord par requête à l'Administration des Mines. Dans cette Pétition seront indiqués le nom et le prénom, profession, nationalité, et domicile du requérant, s'il s'agit d'une seule personne, et les noms et prénoms des associés, leurs domiciles légaux, s'il s'agit d'une Société. Dans le cas où la requête aurait été présentée au nom d'une Société anonyme, il faut y spécifier que c'est une Société Ottomane constituée conformément à la loi. Il y sera également indiqué la position de la mine, les limites du terrain où l'exploitation aura lieu, la nature du minerai à extraire, la façon dont les produits seront vendus, la manière dont le bois, le charbon, et les autres combustibles nécessaires seront procurés, conformément au Règlement sur les Forêts, et, dans le cas où il y aurait des propriétaires du terrain, le payement de l'indemnité qui leur a été proposé de payer, et enfin l'engagement d'exploiter la mine suivant les règles techniques.

Art. 34. A la Pétition mentionnée dans l'Article précédent, sera joint, en triple, le croquis du terrain où la mine sera exploitée à l'échelle de 1 à 5,000. Sur cette carte, seront indiquées les limites de la mine au moyen des lignes reliant les points fixes dans la mesure du possible sur le sol ainsi que la position des minerais à extraire. Les croquis, le Rapport de l'ingénieur qui a exécuté les travaux de recherches, et les échantillons en quantité suffisante des substances minérales extraites lors des travaux pour être analysés et gardés seront envoyés par les autorités locales dans une boîte cachetée.

Art. 35. Les rechercheurs adresseront leur demande en Concession d'une mine au Département des Mines, qui, après avoir vérifié, tout en se référant à ses archives où seront inscrits les renseignements fournis au commencement des recherches par le Vali de la province et l'ingénieur, que la demande est conforme aux dispositions des Articles précédents, la fera inscrire sur le registre spécial. Dans le cas contraire, la demande est retournée au requérant pour être complétée et corrigée, et la formalité d'enregistrement ne sera pas remplie tant que la requête ne sera pas conforme aux prescriptions du présent Règlement.

L'acceptation, l'enregistrement, ou la restitution des Pétitions de la part de l'Administration des Mines doivent se faire avec toute la célérité possible.

Art. 36. Après l'acceptation et l'enregistrement de la demande, des avis relatifs à la Concession seront publiés aux frais du pétitionnaire pendant deux mois dans deux journaux Turcs et Français paraissant à Constantinople et, en outre, par des annonces spéciales et dans la Gazette du vilayet. Les copies imprimées des annonces seront affichées dans des endroits convenables au chef-lieu du vilayet, dans les sandjiaks et les districts, ainsi que dans tous les villages du district où la mine est située. Dans ces annonces seront indiqués l'endroit, les limites, la nature et l'espèce de la mine, le nom du concessionnaire et la durée de la Concession.

Art. 37. A l'expiration du terme des publications, l'Administration des Mines sera informée, dans un délai de deux mois, s'il y a ou non une opposition quelconque, et s'il y en a eu, elle recevra communication des actes d'oppositions, du takrir contenant les observations de l'ingénieur des mines ainsi que de l'avis et des réflexions du vilayet. Toutes oppositions formulées après l'expiration du terme des publications ne seront pas admises.

Art. 38. Les pièces communiquées, conformément à l'Article précédent, à l'Administration des Mines seront référées au Bureau Technique des Mines, qui, après les avoir examinées, les restituera à l'Administration des Mines avec son Rapport contenant ses observations et ses réflexions. L'Administration des Mines, après examen nécessaire, hâtera l'accomplissement des formalités relatives à la délivrance du Firman Impérial dans un délai de six mois à partir de la date d'enregistrement de la Pétition.

Art. 39. Le cahier des charges et la convention relatifs à la Concession d'une mine seront préparés par le Département des Mines et envoyés à la Sublime Porte par l'entremise du Ministère dont elle relève. Après avoir été examinés au Conseil d'État, ils seront soumis à Sa Majesté Impériale le Sultan et la Concession sera accordée par Iradé Impérial. Toutes les conditions et formalités énoncées dans le présent Article seront remplies et le Firman Impérial sera octroyé dans le délai d'un an.

Art. 40. Après la délivrance du Firman Impérial de Concession, la teneur en sera publiée une seule fois dans les endroits désignés dans l'Article 36. Les frais de publication seront à la charge du concessionnaire détenteur du Firman Impérial.

Art. 41. Les concessionnaires autorisés en vertu de Firmans Impériaux à exploiter les mines n'auront pas le droit, sans en avoir obtenu, au préalable, l'autorisation du Gouvernement Impérial, d'unir les mines qu'ils sont autorisés à exploiter en Société ou autrement avec d'autres mines de la même espèce. Dans le cas contraire, la convention et la Concession seront annulées.

Art. 42. Si dans les limites d'une mine à exploiter en vertu d'un Firman Impérial une autre espèce de minerai non mélangé avec ceux spécifiés dans le Firman Impérial vient à être découvert, on doit, pour son exploitation, obtenir un autre Firman Impérial en accomplissant les formalités indiquées dans les Articles précédents. Quand une pareille mine est découverte et la permission est demandée pour son exploitation, le concessionnaire qui est déjà autorisé par Firman Impérial à exploiter la mine dans le même endroit aura, s'il fait sa demande dans le délai des publications, la préférence aux conditions égales sur la personne qui a fait la découverte. Il sera toutefois soumis aux prescriptions des Articles du présent Règlement garantissant le droit de découverte.

Art. 43. Ceux qui exploitent une mine avant d'avoir obtenu le Firman Impérial conformément aux conditions mentionnées dans les Articles précédents ou qui ne possèdent pas de permis de recherches ainsi que ceux qui, tout en étant munis du dit permis, ont extrait une quantité de minerai plus grande que celle indiquée dans l'Article 26, seront, suivant l'étendue des travaux et l'importance de la mine, passibles d'une amende de £T. 100 à £T. 1,000 et les matières minérales extraites seront en outre confisquées. Ils seront obligés d'indemniser les dommages qu'ils auraient occasionnés à des particuliers.

Art. 44. L'exportation des mines appartenant à l'État sera également soumise aux prescriptions des Articles de ce Règlement concernant les limites, les indemnités, les conditions de l'exploitation, et les autres matières de même nature.

Art. 45. L'Administration des Mines publie officiellement la nomenclature des mines déjà découvertes ou abandonnées, qui sont connues du Gouvernement Impérial et enregistrées, ainsi que celle des mines dont la Concession est annulée. Elle met, s'il y a lieu, en adjudication l'exploitation de ces mines pendant une année et la concède au demandeur qui offre annuellement la redevance proportionnelle la plus élevée. On procédera, quant aux autres redevances et charges, conformément aux prescriptions du présent Règlement à l'instar des autres mines.

Art. 46. Les mines déjà découvertes qui ne sont pas connues et enregistrées par le Gouvernement ou celles qui restent inexploitées depuis quatre-vingt-dix-neuf ans avant la promulgation de ce Règlement, seront considérées comme mines non découvertes et les rechercheurs en obtiennent le droit de découverte.

CHAPITRE V.—*Droits et Obligations des Concessionnaires.*

Art. 47. A l'émanation du Firman Impérial pour l'exploitation d'une mine, un droit de £ T. 50 à £ T. 200 est perçu pour une seule fois, suivant la richesse et l'importance de la mine.

Art. 48. Les exploitants des mines doivent payer deux espèces de redevances. L'une est payable annullement sous le titre de redevance fixe pour chaque djérib (un djérib équivaut à 10,000 mètres carrés) du terrain qui se trouve dans les limites indiquées par le Firman Impérial. L'autre est prélevée sur le produit de la mine à titre de redevance proportionnelle.

Art. 49. La redevance fixe est de 10 piastres par an et par djérib de la superficie plane et horizontale de la mine exploitée en vertu du Firman Impérial et est payable au commencement du mois de Mars de chaque année. Dans le cas même où les travaux auraient été suspendus, le payement annuel de cette redevance sera obligatoire jusqu'au jour où la Concession serait annulée ou le concessionnaire l'aurait abandonnée officiellement et se serait retiré. La redevance fixe des terrains Mulks ou Vakoufs réels revient au propriétaire et celle des terrains domaniaux et des terrains Vakoufs de la catégorie de Tahsissat à l'État.

Art. 50. La redevance proportionnelle est de 1 à 5 pour cent perçus sur les produits bruts des mines exploitées par des puits et galeries, tels que cuivre, plomb argentifère, charbon, et de 10 à 20 pour cent perçus également sur les produits bruts des minerais qui ne se trouvent pas en état de filon, mais bien en amas, tels qu'émeri, chrome, substances boratées, écume de mer, eaux minérales chaudes et froides, pétrole, asphalte, et naphte. Cette redevance sera perçue sur les minerais qui sont préparés pour être envoyés en Europe ou qui sont cassés, triés, et, suivant leur nature, lavés pour être traités en Turquie. La redevance proportionnelle est perçue sur la valeur du métal contenu dans le minerai après défalcation des frais de transport de l'échelle jusqu'en Europe et de ceux du traitement.

Art. 51. Le recouvrement des redevances d'une mine concédée ainsi que les autres formalités sont effectués par le Département des Mines. Le concessionnaire est tenu d'inscrire sur un registre journalier la qualité, quantité, espèce, et valeur de la matière extraite de la mine ou traitée dans les ateliers qui en dépendent, d'en remettre tous les trois mois un relevé à l'autorité conformément aux modèles qui lui seront donnés, de fournir dans le premier mois de chaque année au Vali de la province un tableau de la production de l'année écoulée et de montrer au Vali de la province les comptes réels, d'après ses registres, toutes les fois que celui-ci voudra faire des vérifications et des constatations au sujet des dits comptes et autres faits.

Art. 52. Les redevances proportionnelles sont perçues suivant un tableau indiquant la moyenne des cours de chaque espèce de minerai à l'étranger, ainsi que les frais de transport et de traitement qui doivent être déduits. Ces tableaux seront corrigés tous les six mois suivant les différences des prix et des frais.

Art. 53. Les redevances proportionnelles sont fixées par l'Administration des Mines suivant la richesse et l'étendue des mines, leur distance de l'échelle, la facilité ou la difficulté de l'exploitation et le bas prix du combustible, ainsi que l'espèce de la mine en conformité de l'Article 50 sont insérées dans le Firman Impérial.

Art. 54. Les substances minérales destinées à être expédiées à l'étranger sont, avant d'être chargées sur le bateau, pesées à l'échelle et les redevances proportionnelles y afférentes sont perçues par des préposés de l'Administration des Mines ou par des employés de la Douane qui en sont chargés de sa part. Cependant dans le cas où elles seraient traitées en Turquie, elles seront pesées avant le traitement par des préposés des mines et la redevance est perçue sur les lieux en conformité de l'Article 50.

Art. 55. Les concessionnaires des mines dresseront dans le courant du mois de Mars de chaque année et conformément au modèle donné par l'Administration des Mines, deux relevés détaillés indiquant les quantités et qualités des minerais exploités pendant l'année écoulée et en remettront l'un à l'Administration des Mines et l'autre à l'Administration des Mines de la localité ou au Vali, et en échange il leur sera délivré une quittance (Ilmu Khaber.) Ils seront tenus de montrer leurs registres et de rendre compte à l'Administration des Mines toutes les fois qu'elle voudra faire un contrôle ou une vérification.

Art. 56. Si les concessionnaires de mines ne remettent pas dans le délai fixé les registres de compte mentionnés dans l'Article précédent ils seront passibles d'une

amende de £ T. 5 à £ T. 25, et si le montant de la production indiquée dans ces relevés de compte est inférieur à la quantité réelle, ou s'il est constaté que des actes de fraude ont été commis, le double de la différence de la redevance revenant au Gouvernement sera perçu. Les Tribunaux Correctionnels auront en outre à statuer sur l'action publique qui sera intentée contre les dits concessionnaires.

Art. 57. Un délai ne dépassant pas deux mois est fixé par le Vali au concessionnaire d'une mine pour le payement des impôts ainsi que des amendes et indemnités et il en est avisé officiellement et par écrit. S'il n'acquitte pas sa dette dans ce délai les biens meubles énumérés dans l'Article 7 seront saisis et vendus par les soins des Tribunaux et la dette est recouvrée sur le produit de la vente. Si les biens meubles ne suffisent pas, on a, conformément à la loi, recours à ses biens immeubles pour le recouvrement de sa dette.

Art. 58. A la promulgation du Firman Impérial les limites indiquées dans la carte de la mine sont désignées au concessionnaire par les soins de l'ingénieur des mines, ou, à défaut, en présence de l'ingénieur de la municipalité. Procès-verbal est dressé en trois exemplaires, qui sont revêtus de cachets par le fonctionnaire délégué du vilayet, de l'ingénieur, et du concessionnaire ou de son fondé de pouvoirs, et l'un est conservé dans les archives de l'autorité locale, l'autre envoyé à l'Administration des Mines, et le troisième remis au concessionnaire.

Le registre journalier qui sera tenu pour indiquer la quantité de minerai extrait chaque jour sera conforme aux livres tenus par les commerçants et portera à chaque page un numéro d'ordre. Le Conseil Administratif du vilayet indiquera le nombre des pages sur le registre et apposera son sceau sur la première et la dernière pages.

Art. 59. Le concessionnaire est tenu de commencer les travaux d'exploitation de la mine dans le courant de deux ans à dater de la remise de celle-ci. Si l'exploitation n'est pas entreprise dans le délai fixé, les raisons en sont demandées par écrit au concessionnaire, et dans le cas où les motifs qu'il indiquera sont admis, l'Administration des Mines lui accordera un nouveau délai de six mois, qui ne pourra pas être prolongé, et l'invitera par écrit à commencer immédiatement les travaux. Elle se fera délivrer un récépissé constatant cette communication.

Art. 60. Si à la fin du délai de six mois mentionné dans l'Article précédent le concessionnaire n'a pas commencé les travaux, il sera informé par écrit que la Concession sera annulée; et si les motifs qu'il invoquera de nouveau ne sont pas légalement admissibles, l'Administration des Mines proposera, par Mazbata, à la Sublime Porte, d'annuler la Concession tout en invitant officiellement et par écrit le concessionnaire à présenter ses observations éventuelles au Conseil d'État dans le délai de trois mois. On lui prend un reçu concernant la remise de cette communication.

Si dans le délai fixé le concessionnaire ne fait aucune démarche ou si ses excuses ne sont pas acceptées, le Conseil d'État décide l'annulation de la Concession; l'annulation s'accomplit sur un Iradé Impérial émané à cet effet. Elle est publiée à trois reprises par les journaux tant à Constantinople que dans la localité où la mine est située.

Art. 61. Les concessionnaires qui se sont chargés d'exploiter et d'administrer une mine pour leur compte ou pour un compte social devront prouver leur capacité d'exploiter conformément aux règles techniques et désigneront un Directeur responsable vis-à-vis du Gouvernement Impérial et de l'Administration des Mines.

Le Directeur responsable est, dans les affaires concernant l'administration de la mine, considéré comme le fondé de pouvoirs du concessionnaire.

Art. 62. Le concessionnaire devra faire dresser deux plans des travaux exécutés dans la mine à l'échelle de 1 à 500 et en remettre un exemplaire à l'Administration des Mines. Au commencement du mois de Mars de chaque année, les travaux exécutés pendant l'année écoulée seront indiqués sur le plan se trouvant auprès de lui et qui sera échangé contre celui se trouvant à l'Administration des Mines.

Art. 63. Si le concessionnaire ne remet pas ce plan au terme fixé ou si ce plan n'est pas exact ou est incomplet, il sera passible d'une amende de £ T. 5 à £ T. 25 et l'Administration des Mines fera, aux frais du concessionnaire, dresser un nouveau plan ou rectifier celui qui existe.

Art. 64. Outre les registres et les plans mentionnés dans les Articles 55 et 62, les concessionnaires feront dresser un plan et un relief à l'échelle de 1 à 500 indiquant les travaux souterrains, un tableau indiquant le progrès journalier des travaux, le

prolongement et l'épaisseur des filons, l'état du minerai extrait ainsi que du toit et des parois des filons et la quantité d'eau qui coule à la mine, et un autre registre journalier concernant la quantité de minerai extraite par jour.

Art. 65. Le concessionnaire est obligé de montrer le plan et le relief ainsi que ces tableaux à l'ingénieur nommé par l'Administration des Mines toutes les fois qu'il le demandera. Si ces cartes et tableaux ne sont pas tenus d'une manière régulière, le concessionnaire sera passible d'une amende de £T. 10 à £T. 25, et un fonctionnaire sera désigné et envoyé par l'Administration des Mines aux frais du concessionnaire pour les tenir dans un état régulier.

Art. 66. Les concessionnaires ou les Directeurs des mines devront procurer aux ingénieurs les facilités nécessaires pour l'inspection des travaux, leur montrer les registres et cartes requis et leur fournir tous les détails nécessaires relativement aux travaux. S'ils s'y refusent ou s'y opposent, ils seront passibles d'une amende de £T. 10 à £T. 25, et les autorités locales prêteront aux ingénieurs leur assistance à cet effet. Si le même cas se répète, le double de l'amende sera perçu.

Art. 67. S'il y a probabilité que le défaut d'unité dans le système d'exploitation de plusieurs mines contiguës ou rapprochées concédées en vertu de différents Firmans puisse causer des dommages à l'une de ces mines ou aux ouvriers ou aux établissements situés aux environs, les concessionnaires devront, pour y parer, adopter entre eux un système unique; et si un accord ne s'établit pas entre eux l'Administration des Mines, en présence des deux parties, leur indiquera à cet effet un système unique auquel les concessionnaires sont obligés de se soumettre.

Art. 68. Si lors du creusement ou de l'exploitation d'une mine, c'est-à-dire pendant l'exécution des travaux pour l'écoulement des eaux ou pour l'aérage de la mine, des dommages sont occasionnés à l'exploitation d'une autre mine, le concessionnaire paye une indemnité à l'autre concessionnaire en dommage, et s'ils ne peuvent tomber d'accord sur le montant de cette indemnité celle-ci est fixée après expertise par l'Administration des Mines.

Art. 69. Si pour l'exploitation d'une mine il est jugé nécessaire d'utiliser provisoirement un terrain sis dans les limites fixées par le Firman Impérial et appartenant à des particuliers, mais que le propriétaire n'y donne pas son consentement bien qu'il soit possible de lui restituer ce terrain jusqu'à un an dans son état primitif, il lui sera payé par le concessionnaire le double du revenu qu'il pourrait en retirer dans l'espace d'une année.

Art. 70. Les concessionnaires achèteront avec le consentement des propriétaires les terrains dont ils feront usage pour les travaux des mines tels que puits et galeries. Si cependant un accord ne s'établit pas entre eux, le double des valeurs qui seront déterminées par le Gouvernement sera payé aux propriétaires des terrains.

Art. 71. En dehors de l'ingénieur et du chef ouvrier, les autres employés de la mine ainsi que les ouvriers doivent être des sujets Ottomans et pris parmi les habitants de la localité où la mine se trouve. Si les concessionnaires y contreviennent, un avertissement leur est donné par l'Administration des Mines, et ils seront, pour la première fois, passibles d'une amende de £T. 100, et, en cas de récidive, il sera procédé à l'annulation de la Concession conformément aux prescriptions de l'Article 60.

Chapitre VI.—*Police des Mines.*

Art. 72. Un ingénieur des mines désigné par l'Administration des Mines se trouvera au chef-lieu de chaque vilayet.

Les ingénieurs conformément aux instructions qui leur seront données par l'Administration des Mines exerceront une surveillance active afin de préserver de démolition les bâtisses sises sur les lieux de l'exploitation et de garantir la sûreté du sol.

Le Vali du vilayet et les ingénieurs veilleront constamment à ce que les ouvriers des mines soient employés contre payement du prix de leur travail et de leur bon gré, et que personne ne subisse aucune pression ni dommage de ce chef.

Art. 73. Les ingénieurs aviseront les concessionnaires des inconvénients qu'ils auraient constatés dans les travaux d'exploitation d'une mine ainsi que des améliorations qui seraient nécessaires et informeront les autorités locales et l'Administration des Mines des dangers constatés et des actes qui se seraient produits contrairement au Règlement.

Art. 74. Si l'exploitation d'une mine est abandonnée ou si les besoins industriels d'une Corporation travaillant les matières minérales sont compromis, les observations du Vali de la province et de l'ingénieur à ce sujet sont immédiatement communiquées à l'Administration des Mines.

Art. 75. Si un accident est à craindre dans une mine l'ingénieur, pour prendre les mesures voulues et sous sa propre responsabilité, demandera à l'autorité locale les objets qu'il jugerait nécessaires et l'autorité les lui fournira immédiatement.

Art. 76. Dans le cas où un accident se serait produit dans la mine, les concessionnaires ou leurs employés sont obligés d'en aviser immédiatement les autorités locales. S'il n'y a pas d'ingénieur des mines on fera vérifier les causes de l'accident par les soins de l'ingénieur qui se trouve au service du concessionnaire et les mesures nécessaires seront prises pour prévenir les inconvénients qui en résultent. Si on a besoin d'instruments, outils, animaux, et ouvriers, ils seront procurés aux frais des concessionnaires. Avis de l'accident sera donné par télégramme à l'Administration des Mines.

Art. 77. Les concessionnaires sont obligés d'entretenir dans leur mine une pharmacie et un médecin diplômé.

Art. 78. Les concessionnaires seront obligés de payer les indemnités adjugées par les Tribunaux aux victimes d'un accident surgi lors de l'exploitation d'une mine et à leurs familles, et si l'accident a eu lieu à cause de la mauvaise administration de la mine ou du manque des objets dont la présence était nécessaire au point de vue technique, ils seront, en outre, passibles d'une amende de £ T. 50 à £ T. 100.

Chapitre VII.—*Prescriptions concernant l'Abandon des Mines.*

Art. 79. Aucune partie des travaux souterrains ne pourra être abandonnée sans que la permission en ait été obtenue de l'Administration des Mines. Le concessionnaire devra d'abord lever et transmettre au Vali de la province une carte de la partie de la mine qu'il veut abandonner et un rapport contenant des détails sur le genre des travaux, et le Vali avisera au nécessaire suivant la décision qui sera prise par l'ingénieur des mines de la localité ou par l'Administration des Mines conformément aux règles techniques.

Art. 80. Si le concessionnaire veut, pour un autre motif que des cas de force majeure, abandonner la mine avant l'expiration de la durée de la Concession, il doit, six mois d'avance, en aviser par une déclaration l'Administration des Mines. Il remettra avec cette déclaration les plans des galeries, puits, édifices, usines, et autres constructions qui existent sous le sol ou à la surface de la mine, ainsi que le Rapport, le tableau, et les registres indiquant les quantités et les qualités des minerais extraits jusqu'à ce jour. Aucune condition ni aucune charge ne sera insérée dans cette déclaration.

Art. 81. Si, excepté les cas de force majeure, l'exploitation est délaissée pendant une année, l'Administration des Mines peut, après avoir fait les constatations nécessaires, fixer un délai pour recommencer les travaux, et si, à l'expiration de ce délai, la mine n'est pas de nouveau exploitée et reste abandonnée, on procède à la formalité de l'annulation conformément à l'Article 60.

Art. 82. Si, pour des raisons mentionnées dans les différents Articles du présent Règlement une mine est abandonnée, ou si à la suite de l'annulation de la Concession le Firman Impérial est retiré, ou bien si le terme de la Concession a expiré, les galeries, puits, et les objets nécessaires pour la conservation de la mine reviendront à l'Etat ou au nouveau concessionnaire sans qu'une indemnité soit payée à l'ancien concessionnaire. Seulement les machines fixes et mobiles, les instruments et outils, les minerais extraits, et les animaux appartiennent à celui-ci. Néanmoins le Gouvernement ou le nouveau concessionnaire peuvent acheter ces objets en totalité ou en partie d'après le prix qui sera fixé par des experts.

Art. 83. Au cas de l'abandon ou de retrait, ou de l'expiration du terme de la Concession, les concessionnaires doivent s'acquitter des indemnités et des autres impôts et charges. On a recours aux objets appartenant à l'ancien concessionnaire, tels qu'instruments et outils, mentionnés dans l'Article précédent, pour le recouvrement des droits, impôts, et autres créances.

Art. 84. Si l'abandon d'une mine a été décidé, des publications seront faites à ce sujet conformément à l'Article 60.

Chapitre VIII.—*Dispositions concernant les Concessions antérieures au présent Règlement.*

Art. 85. Les dispositions du présent Règlement en ce qui concerne les formalités à accomplir sont appliquées également aux mines concédées conformément à l'ancien Règlement. Cependant la durée de la Concession de pareilles mines n'est prolongée ni abrégée.

Art. 86. Les permis de recherches délivrés avant la promulgation de ce Règlement continueront à être soumis aux dispositions réglementaires en vigueur à la date de leur délivrance.

Chapitre IX.—*Minières.*

Art. 87. Les propriétaires de terres sont libres d'exploiter toujours les minières, après en avoir obtenu la permission par un Firman Impérial. Un droit de £ T 4 est perçu pour ce Firman Impérial.

Art. 88. Si les propriétaires de terrains n'exploitent pas une minière ou s'ils l'abandonnent après l'avoir exploitée pendant un court laps de temps, elle sera concédée à un autre qui en ferait la demande. Toutefois, le double du prix du terrain estimé par des experts ainsi que le prix réel des édifices et autres constructions qui existeraient sont payés d'avance par les nouveaux concessionnaires aux propriétaires des terrains.

Art 89. Ceux des terrains où des minières sont en exploitation qui ne rentrent pas dans la catégorie des terrains Mulks et Vakouf réel sont soumis aux dispositions légales régissant les terrains domaniaux. Seulement, les terres où l'exploitation d'une minière a lieu ou dont on se sert pour les minières ne payent, en dehors des droits proportionnels perçus sur les produits de la minière, ni dîmes, ni autres redevances.

Art. 90. Dans la Pétition remise en vue de l'obtention de la permission de l'exploitation d'une minière seront indiqués les nom et prénom, la profession, et le domicile du requérant, la position et l'espèce de la minière, et la manière d'après laquelle elle sera exploitée. A cette Pétition seront jointes trois cartes à l'échelle de 1 à 500 du terrain où la minière a été découverte.

Art. 91. Dans le permis délivré pour l'exploitation d'une minière seront indiqués les conditions et détails des travaux, la nécessité de veiller à la santé publique, à la conservation en état des voies, des édifices, des sources et conduites d'eau, et le montant de l'indemnité à payer du chef des dommages qui auraient été occasionnés.

Art. 92. Seront indiqués sur les permis relatifs à l'exploitation des minières les sources des eaux dont on se servira pour le lavage des terres minérales et des sables ainsi que l'endroit par lequel elles s'écouleront après avoir été employées.

Art. 93. L'exploitation des minières se fait sous la surveillance des ingénieurs et fonctionnaires désignés par l'Administration des Mines à l'instar de ce qui se pratique pour les mines.

Art. 94. Les exploitants de minières dresseront chaque année, en deux exemplaires, un état détaillé indiquant la situation des travaux, ainsi que la quantité et la qualité de la production de l'année. Un de ces exemplaires sera remis au Vali de la province et l'autre à l'Administration des Mines.

Art. 95. Dans le cas où une minière est transformée, pendant l'exploitation, en mine proprement dite, par suite de nécessité de travaux souterrains et d'ouverture de puits et galeries, il est défendu d'exploiter de pareilles mines sans avoir obtenu un Firman de Concession conformément aux conditions stipulées pour les mines.

Art. 96. Dans le cas où les exploitants de minières contreviendraient aux prescriptions de l'Article 94, ils seront passibles d'une amende de £ T. 10 à £ T. 100; et s'ils agissent contrairement aux dispositions de l'Article 95, on leur appliquera les peines déterminées dans le présent Règlement à l'égard des ceux qui exploitent les mines sans permis.

Art. 97. Les exploitants construisent, installent, et utilisent les usines, instruments, outils, et machines nécessaires pour l'exploitation de leur minière et pour le traitement des minerais extraits en se conformant aux dispositions des Règlements Municipaux. Ils sont obligés de remettre à l'Administration des Mines le dessin et la description de l'usine, des fours de grillage, des machines et autres accessoires à établir.

CHAPITRE X.—*Divers.*

Art. 98. Les différends surgis à propos de la possession des mines sont jugés par voie administrative et les autres procès par les Tribunaux Ordinaires. Les procès qui auraient surgi à propos des mines concédées à des sujets étrangers conformément à l'Article 30 seront examinés par les Tribunaux Ordinaires conformément à la règle observée dans le jugement de ceux provenant de leurs droits de propriété immobilière.

Art. 99. Les amendes qui doivent, conformément aux dispositions du présent Règlement, être perçues des rechercheurs et concessionnaires des mines seront arrêtées par les Conseils Administratifs des vilayets et sandjiaks non dépendants.

Art. 100. La recherche d'une mine ou son exploitation en vertu d'une Concession ne peuvent avoir aucun effet sur les droits de propriété afférents à la terre sur laquelle elle s'effectue. Le rechercheur et le concessionnaire n'y ont aucun titre ni droit autre que celui d'effectuer des travaux de recherches et d'exploitation dans les délais fixés à cet effet. Ils ne peuvent cultiver la surface, ni y planter des arbres, ni y construire des bâtisses autres que celles qui sont spécifiées dans le présent Règlement, et destinées exclusivement aux travaux de recherches ou d'exploitation sans le consentement du Gouvernement Impérial si le terrain appartient à l'État (Arazié Haliéi Emirié) et celui de son propriétaire, s'il est une propriété privée. Dans le cas où ils en feraient cultiver les parties dépourvues de gisements, profiteraient des arbres fruitiers et non-fruitiers, et feraient paître des troupeaux dans les pâturages s'il y en a, les bénéfices qui seront réalisés de ce chef reviendraient au Gouvernement Impérial ou au propriétaire.

Ils ne pourront non plus intervenir en aucune façon dans les droits du propriétaire du sol sur les cours d'eau qui y coulent et les lacs qui y existent, ni dans les droits de puisage et d'irrigation dont d'autres personnes jouissent d'après la loi.

Art. 101. Le Règlement sur les Mines du 18 Zilhidjé, 1304, et les dispositions réglementaires publiées pour le modifier et comme appendices sont abolis à partir de la date du présent Règlement.

Art. 102. Le Ministère de l'Agriculture et des Mines et Forêts est chargé de l'exécution de ce Règlement.

APPENDIX No. 2.

Annexes to Note verbale communicated by the Ottoman Government to the Representatives of the Six Great Powers.

Annexe I.

	Number of Employés.	Total Amounts of Monthly Salaries.
		Piastres.
Beyrout and dependencies	63	22,250
Salonica „ „	83	45,200
Alexandretta..	10	3,300
Adrianople	11	4,050
Bussorah	4	4,000
Myteline	1	800
Scutari in Albania	..	280
Tripoli in Africa	9	2,850
Mount Athos..	7	3,020
Constantinople	57	48,125
Total	245	133,875

Annexe II.

Article 1er. Le nombre des hamals et des arrimeurs qui doivent se trouver constamment à la disposition du service douanier dans les différentes douanes de

Constantinople, ainsi que le nombre des brouettes servant au transport des marchandises dans les douanes mêmes, sont fixés ainsi qu'il suit :—

	Nombre de Hamals.	Nombre d'Arrimeurs.	Nombre de Brouettes.
Douane d'importation de Stamboul ..	300	30	25
Douane d'exportation de Stamboul ..	253	10	3
Douane des fruits	173	4	..
Douane d'importation de Galata ..	258	20	16
Douane d'exportation de Galata ..	9	..	1
Douane des céréales et des spiritueux ..	9	..	1

Dans le cas où la nécessité d'engager de nouveaux hamals et d'augmenter le nombre des brouettes se ferait sentir, l'Administration Générale des Contributions Indirectes, sur le Rapport des Directeurs des Douanes, transmettra des ordres en conséquence au représentant du Kehya, qui fera d'urgence le nécessaire.

Art. 2. Les arrimeurs devront être à même de lire les marques et les numéros des marchandises. Ils seront choisis et nommés par le représentant du Kehya, avec l'assentiment des Directeurs des Douanes. En cas de contravention ou d'abus de confiance de la part de ces arrimeurs, les Directeurs des Douanes leur infligeront une réprimande ou un blâme et, le cas échéant, les congédieront en avisant le représentant du Kehya pour qu'il ait à les remplacer par des arrimeurs réunissant les conditions requises.

Art. 3. Sur les lieux de vérification devra se trouver aussi un corps de hamals placés sous la conduite d'un Col-bachi, pour transporter immédiatement, sur l'avis des vérificateurs, à l'endroit où ils doivent être conservés jusqu'à l'achèvement des formalités, les colis visités, enregistrés, et portant le cachet de vérification. Tous les hamals employés dans les douanes, y compris les Col-bachis (" Chefs ") et les Késsédars (" Caissiers des hamals "), porteront une marque distinctive avec numéro d'ordre, et on n'utilisera dans les locaux douaniers les services d'aucun portefaix non revêtu de cette marque. Afin que les Douanes soient en mesure de connaître le nombre et l'identité des portefaix qui sont actuellement ou qui entreraient à l'avenir au service, des registres, légalisés par le représentant du Kehya, contenant les noms, les numéros, et le signalement des portefaix, leur seront remis. S'il se trouve parmi ces derniers des gens dont l'inconduite serait constatée ou bien auxquels les Directeurs des Douanes ne pourraient plus accorder confiance, ceux-ci en aviseront le représentant du Kehya, qui les fera exclure immédiatement du service et les remplacera par d'autres portefaix possédant les qualités requises. Au fur et à mesure de changements effectués, suivant la nécessité, le représentant du Kehya en informera la Douane par écrit et présentera en même temps les feuilles d'identité des nouveaux portefaix en vue de l'accomplissement des formalités suivant le paragraphe précédent.

A l'avenir les portefaix de la Douane seront choisis parmi les gens bien portants et forts, et les Col-bachis (" Chefs ") ainsi que les Késsédars (" Caissiers des portefaix ") parmi les plus méritants pour leur moralité et leur bonne conduite.

Afin de faciliter le recours des commerçants et de tous ceux qui auraient à faire avec le service de hamalage, les représentants du Kehya se tiendront dans des places spécialement désignées à cet effet dans l'intérieur des douanes.

Art. 4. Les portefaix, ainsi que les ouvreurs et ceux chargés de coudre les toiles d'emballage, qui figurent dans le nombre des portefaix, ne pourront demander ni accepter des commerçants ou de ceux qui ont des affaires à la douane, aucune somme sous forme de frais d'arrimage ou de pourboire, en dehors des frais de hamalage fixés d'avance ; ceux qui en exigeront seront immédiatement renvoyés du service.

En cas de conflit ou de litige entre les commerçants ou ceux qui ont des affaires à la douane, et les Késsédars ou Col-bachis, les portefaix seront tenus de se conformer aux ordres des Directeurs des Douanes. Les portefaix, ainsi que les Col-bachis et les Késsédars qui y feraient opposition, ou dont les écarts de conduite seraient constatés par la Douane, ainsi que ceux qui useraient envers les commerçants ou ceux qui ont des affaires à la douane de procédés violents ou injurieux, seront immédiatement et provisoirement suspendus de leur service, suivant la gravité de leur faute, par les Directeurs des Douanes qui, en cas de récidive, les congédieront, en invitant le représentant du Kehya à procéder à leur remplacement.

Art. 5. Les frais de hamalage et de toutes sortes de manutentions dans l'intérieur des douanes de Galata et de Stamboul, ainsi que de transport des marchandises aux

magasins des commerçants, étant fixés par les tarifs ci-après, il est expressément interdit aux portefaix de demander et de recevoir, en dehors de ces tarifs, de l'argent à titre de frais d'arrimage ou à quelque titre ou pretexte que ce soit. Le dernier paragraphe de l'Article 4 sera appliqué aux Késsédars, Col-bachis, et portefaix qui contreviendraient aux prescriptions les concernant.

Les balles de tapis débarquées à la douane d'importation étant de très grandes dimensions, il sera perçu, comme par le passé, une taxe de $3\frac{1}{2}$ piastres pour chacune d'elles à titre de frais de manutention intérieure. Pour les balles qui, sans être transportées aux magasins des commerçants, seraient transportées par ceux-ci à l'entrepôt special, en vue de transit, on percevra les frais de transport indiqués dans le dernier paragraphe de l'Article 7 du Tarif.

Ainsi qu'il est dit à l'Article 1er, les frais de hamalage perçus d'après ces tarifs seront partagés, suivant l'usage de la Corporation, par le représentant du Kehya entre tous les arrimeurs et portefaix préposés aux douanes.

Art. 6. Pour le transport des marchandises à toutes les localités comprises dans la zone s'étendant entre la douane de Galata et—

1. Tophané;
2. Les portes de Galata; et
3. Le Han de Saint-Pierre, servant autrefois de local à la Banque Impériale Ottomane, et jusqu'à Perchembé Bazar,

les frais de hamalage seront payés de la manière suivante:—

		Ps.	p.
Pour la charge d'un portefaix ne dépassant pas 60 ocques, c'est-à-dire, 77 kilog.	..	1	15
Pour la charge portée—			
En 1 sirik	Par 2 hommes	4	0
2 siriks	4 „	8	0
3 „	6 „	12	0
4 „	8 „	16	0
5 „	10 „	20	0
6 „	12 „	24	0
7 „	14 „	28	0
8 „	16 „	32	0
9 „	18 „	36	0
10 „	20 „	40	0
11 „	22 „	44	0
12 „	24 „	48	0

Pour le transport des marchandises de la douane de Galata—

1. A Pera jusqu'à Agha-Djami et à Baluk Bazar de Pera;
2. A Stamboul, jusqu'aux portes du Grand Bazar, c'est-à-dire, jusqu'à la porte de Merdjan et à la porte d'Aynadjilar située à Mahmoud Pacha Yokouchu, ainsi qu'à la porte de Kalpakdjilar située en face de la mosquée Nour-i-Osmanié.

les frais de hamalage sont tarifés ainsi qu'il suit:—

		Ps.	p.
Pour la charge d'un portefaix ne dépassant pas 60 ocques, c'est-à-dire, 77 kilog.	..	5	0
Pour la charge portée—			
En 1 sirik	Par 2 hommes	12	20
2 siriks	4 „	25	0
3 „	6 „	37	20
4 „	8 „	50	0
5 „	10 „	62	20
6 „	12 „	75	0
7 „	14 „	87	20
8 „	16 „	100	0
9 „	18 „	112	20
10 „	20 „	125	0
11 „	22 „	137	20
12 „	24 „	150	0

Art. 7. Les endroits où, après avoir quitté les douanes de Stamboul, les marchandises seront dirigées pour être transportées dans les magasins des négociants sont classés en trois zones :—

La première zone comprend les magasins se trouvant entre les douanes de Stamboul et Tchorabdji Han, sis à Mahmoud Pacha Yokoushu; la deuxième zone renferme ceux situés à Futé-Bachi d'Asma-Alti; et la troisième zone comprend tous les magasins situés dans les environs de Hamidié Turbessi, Mohsin Oglou Han et Zédjrié Han.

Les frais de hamalage des marchandises transportées dans les dits magasins sont indiqués ci-dessous :—

		Ps.	p.
Pour une charge de portefaix ne dépassant pas 70 ocques, c'est-à-dire, 90 kilog.	..	1	15
Pour la charge de—			
1 sirik	Porté par 2 hommes	4	0
2 siriks	„ 4 „	8	0
3 „	„ 6 „	12	0
4 „	„ 8 „	16	0
5 „	„ 10 „	20	0
6 „	„ 12 „	24	0
7 „	„ 14 „	28	0
8 „	„ 16 „	32	0
9 „	„ 18 „	36	0
10 „	„ 20 „	40	0
11 „	„ 22 „	44	0
12 „	„ 24 „	48	0

La deuxième zone est celle qui s'étend au delà de la première, et dans laquelle sont situés les magasins se trouvant—

1. Jusqu'à la porte de Merdjan.
2. Jusqu'à la porte d'Aynadjilar à Mahmoud Pacha Yokoushu.
3. Jusqu'à la porte de Kalpakdjilar, près de la mosquée Nour-i-Osmanié.

Le hamalage des fardeaux destinés à ces magasins est le suivant :—

		Ps.	p.
Fardeau porté sur le dos et ne dépassant pas 70 ocques ou 90 kilog.	..	2	10
Fardeau porté sur—			
1 sirik	Par 2 hommes	5	25
2 siriks	4 „	11	10
3 „	6 „	16	35
4 „	8 „	22	20
5 „	10 „	28	5
6 „	12 „	33	30
7 „	14 „	39	15
8 „	16 „	45	0
9 „	18 „	50	25
10 „	20 „	56	10
11 „	22 „	61	35
12 „	24 „	67	20

La troisième zone s'étend au delà de la seconde, et comprend les magasins du Grand Bazar et des autres localités considérées comme centres du commerce.

Le hamalage des marchandises pour ces magasins est le suivant :—

		Piastres.
Fardeau porté sur le dos et ne dépassant pas 70 ocques, soit 90 kilog.	..	4
Fardeau porté sur—		
1 sirik	Par 2 hommes	10
2 siriks	4 „	20
3 „	6 „	30
4 „	8 „	40
5 „	10 „	50
6 „	12 „	60
7 „	14 „	70
8 „	16 „	80
9 „	18 „	90
10 „	20 „	100
11 „	22 „	110
12 „	24 „	120

Excepté les balles Persanes, le poids de chaque fardeau de portefaix des marchandises étrangères ne pourra pas dépasser 60 ocques ou 77 kilog., à la douane de Galata, et 70 ocques ou 90 kilog. à celle de Stamboul.

De même, le poids des balles Persanes portées sur le dos ne pourra dépasser 70 ocques ou 90 kilog.

Les portefaix qui doivent transporter des fardeaux dépassant les poids susindiqués auront le droit de se faire payer suivant le tarif des siriks ci-dessus.

Art. 8. Quant aux marchandises transportées par des portefaix intérieurs aux succursales d'expédition pour être embarquées sur les navires, il sera perçu d'elles pour toutes les manutentions effectuées dans la douane, un droit de hamalage fixé d'après le tarif suivant:—

	Ps.	p.
Pour chaque baril de beurre de Sibérie ou de caviare	5	0
Pour chaque baril de sucre pesant 2½ cantars	1	0
„ „ „ de 6 à 7 cantars	2	0
Pour chaque sac de café		20
Pour chaque caisse d'acier		10
Pour chaque caisse de vitres		10
Pour chaque sac de farine		10
Pour toutes les balles Persanes	1	0

Pour tous les colis ayant un poids au-dessous de 60 ocques ou 77 kilom., on devra acquitter un droit de 20 paras et pour ceux qui auront un poids dépassant ceux indiqués plus haut, il sera perçu pour chaque 60 ocques ou 77 kilog. d'excédent 20 paras en plus.

Si les marchandises sont transportées à la douane en chariots pour leur transport depuis la porte de la douane jusqu'à la succursale d'expédition par les portefaix de la douane, il sera perçu 3 piastres pour la charge d'un camion attelé d'un cheval, et 5 piastres pour celle d'un chariot attelé de deux chevaux.

Art. 9. Pour toutes les marchandises arrivant de l'étranger ou de l'intérieur de l'Empire, et destinées à être débarquées provisoirement à la douane afin d'être rembarquées sur des navires en transit ou en transbordement, les frais de hamalage du quai à l'intérieur de la douane et de l'intérieur de la douane au quai sont réglementés de la façon suivante:—

		Ps.	p.
Charge d'un portefaix ne dépassant pas 70 ocques ou 90 kilog.	..	1	15
Charge de—			
1 sirik	Porté par 2 hommes	4	0
2 siriks	„ 4 „	8	0

Art. 10. Lorsque le hamalage par sirik ne sera plus nécessaire dans l'intérieur des douanes par le fait de nouvelles constructions douanières, le tarif actuel ne sera pas appliqué aux marchandises qui seront délivrées aux commerçants à la porte de la douane. Au lieu de ce hamalage, il sera perçu uniformement 50 paras pour chaque 100 kilog. et fractions de 100 kilog., comme il a été prévu au dernier paragraphe de l'Article 15.

Les portefaix de la douane recevront les frais de manutention pour le transport jusqu'au quai des marchandises arrivées de l'intérieur et destinées à être embarquées après l'accomplissement des formalités douanières. D'après son tarif, la Société des Quais percevant pour ces sortes de marchandises les frais d'embarquement sur des mahones, c'est à la dite Société qu'il incombe de payer les portefaix employés à cette opération. Les portefaix n'auront donc pas le droit de réclamer d'autres frais d'embarquement aux commerçants.

Art. 11. Si le transport des marchandises encombrantes, telles que voitures, meules, chaudières, coffres-forts, &c., nécessite l'emploi de plus de douze siriks, les frais de hamalage ne seront pas réglés suivant les tarifs précédents, mais il sera perçu 3½ piastres pour chaque portefaix si le lieu de destination se trouve dans la première zone de Galata et de Stamboul, 5 piastres si le magasin est situé dans la deuxième zone de Stamboul, et 9 piastres pour les magasins de la troisième zone. Tout transport de Galata jusqu'à Pera ou à un point quelconque de Stamboul sera payé à raison de 11 piastres. Toute charge au-dessus de 77 kilog. pour les douanes de Galata, et au-dessus de 90 kilog. pour celles de Stamboul, sera considéré comme charge de sirik. Chaque fardeau de sirik sera calculé à raison de 154 kilog.; et comme le poids porté par vingt-quatre portefaix et douze siriks peut atteindre 1,854 kilog. au maximum, il sera compté deux portefaix et un sirik pour chaque 154 kilog., dépassant le maximum

en question. Les frais de transport seront perçus ainsi qu'il est énoncé ci-dessus en proportion des hamals employés.

Art. 12. Les poids ci-dessus indiqués s'appliquant également aux marchandises transportées par brouettes en dehors des douanes, le nombre des portefaix conduisant ces brouettes ainsi que les frais de hamalage seront calculés en conséquence, c'est-à-dire d'après le tarif.

Les marchandises pesantes de même nature, telles que sucre, café, riz, articles d'épicerie, papier d'emballage, clous, ciment, aromate, boîtes d'allumettes, et dont, par un usage consacré de longue date, la vérification et les formalités douanières se font sur mer et qui, après avoir été pesées et soumises aux formalités douanières dans les mahones ou sur les quais, sont de nouveau transportées par mahones, paieront 10 piastres par " Salapouria " (petites mahones) et 20 piastres par mahone.

Les balles de papier à lettre et d'imprimerie, de carton et de toile d'emballage, les caisses et tonneaux de clous de chaussures, de fers à sabots, de serrure, de zinc, et d'huile destinée à l'industrie, ainsi que les lots de cuivre et de sceaux et d'autres marchandises qui, avant la construction des quais, étaient débarquées aux douanes, mais qui, après la construction des quais, sont transportées devant les douanes, avec l'assentiment desquelles elles sont pesées sur le quai, soit en totalité soit en partie, pour être soumises à la vérification et aux formalités douanières et replacées ensuite dans les mahones pour être dirigées vers les échelles auxquelles elles sont destinées, paieront seulement le 10 pour cent des frais de hamalage qui devait être perçu d'après le tarif de la première zone.

Art. 13. Les portefaix qui recevaient jusqu'à présent à titre de frais de pesage 10 paras pour chaque colis d'articles coloniaux pesés en vue de la perception des droits de douane ou sur la demande de commerçants, continueront également à percevoir les mêmes frais à l'avenir, mais ils ne pourront réclamer aucuns frais de ce genre pour les marchandises qui, n'étant pas soumises à cette formalité, sont simplement pesées pour assurer la régularité du service douanier, établir le montant de l'Ardié à percevoir ou bien encore pour une seconde vérification douanière.

Pour chaque mahone ou Salapouria d'articles coloniaux dont la vérification et les formalités douanières se feraient sur mer, les portefaix ne pourront, suivant l'usage, exiger que le paiement de 5 piastres et rien de plus.

Art. 14. Pour les marchandises contenues dans de petits colis, telles que bougies, couleurs en boîtes, boissons en bouteilles, ainsi que celles non renfermées dans des colis comme poêles en tôles, ardoises, et qui peuvent être attachées ensemble de manière à former la charge d'un hamal ne dépassant pas le poids réglementaire, elles pourront être transportées de cette façon par leurs propriétaires.

Art. 15. Les négociants auront la faculté de faire transporter leurs marchandises à tels lieux qu'ils désirent, c'est-à-dire que s'ils ne veulent pas les faire transporter à leurs magasins situés dans la deuxième zone ou la troisième zone, mais à celui qui se trouve dans la première, on n'y pourra y apporter aucune opposition. Dans ce cas, les frais de transport seront naturellement réglés d'après le tarif de la première zone.

Les négociants qui prendraient livraison de leurs marchandises à la porte de la douane, et qui désireraient les transporter à leurs magasins sur leurs propres camions, paieront, y compris les frais de chargement, les frais de hamalage, d'après le tarif de la première zone.

Art. 16. A la douane des marchandises étrangères de Stamboul, les ouvreurs de balles recevront comme frais de dépliage pour chaque balle inscrite sur les ordres de livraison 2 piastres pour celles contenant des tapis importés de Russie et de Perse, 1 ps. 10 p. pour celles arrivant de Trébizonde, et 4 piastres pour chaque balle de tapis provenant de l'intérieur de l'Empire à destination de l'étranger. Mais dans le cas où les propriétaires les feraient de nouveau déplier et replier afin de mesurer les tapis et d'y mettre des étiquettes, il sera perçu un surplus de $3\frac{1}{2}$ piastres, qui ne pourra être naturellement exigé si l'acheteur ne réclame pas un nouveau dépliage. Pour l'ouverture et la fermeture de chaque colis de marchandise ou autres, résultant du fait des opérations de vérification, les ouvreurs des caisses continueront à percevoir, comme par le passé, 40 paras pour chaque grande caisse, 30 paras pour celles de dimensions inférieures, et 20 paras sur chaque caisse ou colis contenant de la quincaillerie et des articles coloniaux. Néanmoins, pour l'ouverture et la fermeture des caisses et colis renfermant des articles de même nature en quantité considérable, tels que caoutchouc, amidon, et céruse, les propriétaires de ces marchandises paieront les 10 pour cent sur le minimum des frais généraux.

Les chargements consistant en marchandises en caisses ou barils dont la vérification et les opérations douanières auraient été effectuées sur mer, paieront pour chaque

mahone et pour chaque Salapouria, 10 piastres à titre de frais d'ouvreurs, en dehors desquels il ne pourra être rien réclamé.

Art. 17. Les hommes chargés de mettre en balles les tapis venant de Batoum et de Trébizonde à destination de l'étranger, de les coudre dans les grosses toiles fournies par les propriétaires et de les ficeler, recevront 5 piastres pour chaque balle. Mais lorsqu'il s'agira d'ouvrir et de recoudre les balles pour la vérification de leurs contenus, il sera payé, comme cela se pratique actuellement, 20 paras pour chaque grande balle de toile Américaine de drap et de divers articles manufacturés. Quant aux balles de fil et aux petites balles de toile Américaine n'excédant pas le poids de 200 kilog. et à celles contenant des marchandises similaires, ainsi qu'aux ballots, les hommes chargés de les coudre n'auront droit qu'à 10 paras pour chaque pièce à titre de frais sans pouvoir réclamer d'avantage.

Art. 18. Dans le cas où, lors du transport par les hamals, les marchandises éprouveraient des dégâts et viendraient à verser, à se briser, à être déchirées ou perdues, les propriétaires pourront s'adresser aux Directeurs des Douanes, qui devront procéder aux dispositions nécessaires. Si l'enquête constate que le dommage cause provient réellement de la faute des hamals, l'indemnité à payer de ce chef sera avancée par l'Administration Générale des Contributions Indirectes. Après quoi, sommation d'acquitter le montant de cette indemnité sera faite au représentant du Kehya, lequel, sans pouvoir élever aucune objection, sera obligé de rembourser immédiatement la somme avancée en la prélevant sur les fonds affectés au hamalage.

Les dispositions du dernier paragraphe de l'Article 3 seront appliquées aux hamals, qui seraient convaincus d'avoir plus d'une fois fait preuve d'inattention ou de négligence dans le transport et la bonne conservation des marchandises.

Art. 19. Il est du devoir des Directeurs des Douanes de veiller avec une extrême attention à l'observation des présentes instructions et de prévenir tout cas de contravention.

Art. 20. Les hamals sont tenus, comme par le passé, d'assurer, dans l'intérieur des douanes, le service de pompiers, et de gardiens pendant la nuit, de s'occupier du transport des marchandises reçues à titre de droits en nature, de veiller à la propreté des locaux et de remplir exactement les autres services analogues.

Art. 21. Le Directeur Général des Contributions Indirectes est chargé de l'exécution des présentes instructions.

Annexe III.

ARTICLE 1er. Pour toutes sortes de manutentions faites dans l'intérieur des douanes de Smyrne, ainsi que pour le chargement des marchandises devant la porte de la douane sur les chariots des commerçants, ou bien encore pour les transports de ces marchandises aux magasins se trouvant dans les zones du marché (" tcharchi ") et du quartier franc, ainsi qu'à d'autres lieux, des frais de hamalage seront perçus conformément aux tarifs ci-annexés ; il ne sera rien exigé en dehors des tarifs précités au nom des portefaix intérieurs ou extérieurs sans quelque prétexte ou dénomination que ce soit.

Art. 2. Le hamalage sera remis par les commerçants aux caisses des douanes et les mudiriets des douanes remettront contre reçu au représentant du Kehya de la Corporation le part revenant aux portefaix extérieurs. Les sommes représentant la part revenant aux portefaix intérieurs seront affectées aux mensualités des portefaix susmentionnés employés par la Douane, aux frais résultant du hamalage et aux pompiers de la douane, ainsi qu'à l'augmentation et au perfectionnement des moyens de manutention et, au besoin, à l'augmentation des nombres des portefaix.

Si, après le paiement des dites dépenses, il reste un excédent provenant des revenus du hamalage, cet excédent ne sera pas passé à l'actif, mais sera inscrit dans le registre *ad hoc* et conservé en caisse pour être également affecté aux besoins des services susmentionnés.

Art. 3. Le tarif du hamalage intérieur restera en vigueur pendant trois années, à partir de la date des présentes instructions. A l'expiration de ce laps de temps, le dit tarif sera examiné et étudié par la Direction Générale des Contributions Indirectes, qui, selon les besoins reconnus par l'expérience, y apportera les modifications et réductions jugées nécessaires.

Lors de l'étude de ces modifications, l'on devra prendre l'avis des commerçants

indigènes et étrangers. Le tarif ainsi modifié sera examiné et étudié de la même manière tous les cinq ans et remanié s'il y a nécessité.

Art. 4. La Direction de la Douane de Smyrne veillera à ce qu'il ne soit perçu en dehors du tarif aucun frais de hamalage pour les comptes des portefaix extérieurs.

En cas de contestation entre les dits portefaix et les commerçants, ceux-ci s'adresseront directement au Directeur de la Douane, dont la décision, après enquête, sera définitive. Les portefaix ne pourront faire aucune opposition à cette décision.

Les Directeurs des Douanes admonestront les portefaix, qui feraient preuve d'opposition ou d'impéritie dans l'accomplissement de leur devoir. Le cas échéant, ils les congédieront et inviteront le représentant du Kehya à les remplacer par d'autres réunissant les conditions requises.

Art. 5. Si les commerçants dont les magasins se trouvent hors de la première zone indiquée dans le tarif désirent le transport de leurs marchandises à un endroit situé dans la dite zone, il ne sera perçu comme frais de hamalage extérieur que la somme prévue par le tarif pour la zone où la marchandise est transportée sur la demande du commerçant, et rien de plus.

De même, des commerçants qui, après avoir reçu leurs marchandises à la porte de la douane, désireraient les faire transporter à leurs magasins par leurs propres moyens de transport, les portefaix extérieurs qui en auront effectué le chargement sur les chariots des commerçants, ne pourront réclamer comme frais de hamalage que la moitié du montant porté sur le tarif pour la première zone.

Art. 6. La Direction Générale des Contributions Indirectes est chargée de l'exécution de ces instructions.

Annexe IV.

(Traduction.)

ARTICLE 1er. L'horaire pour la vérification des marchandises dans les douanes étant fixé : du 1er Avril jusqu'à la fin d'Août de 2½ à 10½ heures ; en Septembre, de 3 à 11 heures ; en Octobre, de 3½ à 11 heures ; du 1er Novembre jusqu'à la fin de Janvier, de 4 à 11 heures ; en Février, de 3½ à 11 heures ; et en Mars, de 3 à 10½ heures à la Turque, et tous les employés étant obligés de se trouver à leurs postes aux heures indiquées, les employés qui seraient absents aux heures réglementaires, ainsi que ceux qui quitteraient leurs postes avant les heures fixées, seront considérés comme absents. Pour ce jour-là, une retenue équivalente à une journée d'appointements sera opérée sur leur traitement.

Les employés qui s'absenteraient trois fois dans un mois sans excuse légitime recevront un blâme et, en cas de récidive, outre le blâme, l'absence sera inscrite dans le bulletin de service. A leur troisième absence, ils seront congédiés.

Art. 2. Pour ne point occasionner de retards à la sortie des marchandises par suite de leur mauvais arrimage dans les hangars douaniers, ni donner lieu à des plaintes de la part des commerçants, les employés des hangars devront exercer une surveillance sur les arrimeurs se trouvant dans chaque hangar et qui doivent, conformément aux dispositions spéciales des instructions concernant les portefaix de la douane, être à même de lire les marques et numéros des marchandises.

Les employés des hangars veilleront à ce que les marchandises soient introduites et placées dans les hangars de telle façon qu'elles puissent être trouvées facilement ; que les numéros d'ordre des ordres de livraison soient observés jusqu'à un certain point lors du transport des marchandises aux lieux de vérification et que les arrimeurs ne puissent rien demander contrairement aux instructions y relatives. La Direction des Contributions Indirectes nommera un Inspecteur à chacune des douanes de Galata et de Stamboul pour que les hangars de ces douanes soient assujettis à un contrôle spécial et permanent. Ces Inspecteurs porteront à la connaissance des Directeurs des Douanes et à celle de l'Administration des Contributions indirectes les fautes et les négligences commises par les employés des hangars et par les arrimeurs.

Art. 3. D'après le Règlement y relatif, les marchandises qui seraient retirées de la douane par les commerçants dans le délai d'une semaine et celles dont les formalités Douanières n'ont pu être accomplies par le fait des autorités Douanières étant exemptes du droit d'Ardié, et, d'autre part, les marchandises de transbordement reçues dans les hangars ne payant pas non plus ce droit pendant le premier mois de leur entrée dans les dits hangars, ces délais d'exemption ainsi que les jours de Baïram seront défalqués lors du règlement des comptes d'Ardié.

Pour pouvoir constater aisément si la cause du retard apporté au dédouanement des marchandises qui n'ont pas été retirées dans le délai réglementaire provient des autorités Douanières ou du commerçant, il sera procédé de la manière suivante :—

Dans le cas où un commerçant se serait présenté à la Douane muni d'un ordre de livraison et qu'après l'ordonnancement de cet ordre par le Nazir ou le Mudir ses marchandises n'auraient pas été transportées au lieu de vérification pour une cause quelconque invoquée par la Douane, ou bien encore si ces marchandises sont retenues à la douane par suite du non-accomplissement des formalités Douanières, ces circonstances seront, en vue de faciliter la marche des affaires mentionnées dans l'ordre de livraison signé par les employés compétents, sans que le commerçant ait à le demander par requête. De cette manière l'Administration Douanière aura reconnu que le propriétaire de la marchandise n'est pour rien dans le retard apporté à l'accomplissement des formalités.

Mais les commerçants dont les ordres de livraison auraient été ainsi annotés ne seront pas exemptés du droit d'Ardié pour les jours qu'ils auraient laissé passer sans s'adresser à la Douane afin de retirer leurs marchandises.

Art. 4. Pour l'accomplissement des formalités Douanières les intéressés devront s'adresser dans l'ordre suivant :—

1. Aux employés de manifeste pour la collation de l'ordre de livraison avec le manifeste, ainsi que pour la traduction du même ordre de livraison.
2. Au Bach-Kiatib ou à son adjoint pour l'ordonnancement aux employés de vérification et l'inscription avec le numéro d'ordre des ordres de livraison.
3. Aux employés et préposés (kiatibs) des hangars pour l'inscription de sortie afin que les marchandises puissent être retirées des hangars en présence des employés de vérification.
4. Aux employés de vérification, pour la vérification et l'enregistrement.
5. Aux estimateurs pour l'évaluation de la valeur.
6. Au Directeur pour l'examen des prix de l'estimation et pour l'ordonnancement aux préposés comptables.
7. Au Bureau de Comptabilité pour faire les comptes nécessaires, ainsi que pour la rédaction et le cachetage des bulletins et des reçus.
8. Au caissier pour le paiement des droits en espèces, ou au préposé aux marchandises laissées en paiement des droits pour les paiements effectués en nature.
9. A l'employé et au Secrétaire qui se tiennent à la porte de la douane pour la sortie des marchandises.

Les employés de manifeste sont tenus d'accomplir les formalités de traduction et de contrôle d'après un numéro d'ordre : de même les vérificateurs et estimateurs doivent vérifier et estimer les marchandises, dont les propriétaires sont présents, d'après leurs numéros d'ordre. Les employés douaniers qui auront, sans cause plausible, avancé ou retardé les formalités seront blâmés et punis, suivant le cas, par les Directeurs des Douanes.

Personne, en dehors des intéressés, ne sera admis à l'intérieur des douanes.

Les bulletins de sortie seront revêtus seulement du cachet personnel du rédacteur des dits bulletins et du sceau officiel de la Direction ; lors de la sortie des marchandises, les formalités d'enregistrement seront accomplies promptement et sans donner lieu à des retards.

Art. 5. Comme l'ouverture et le sondage des bouteilles et boîtes fermées contenant des comestibles et des liqueurs entraîneraient la détérioration de ces marchandises, ainsi que leur dépréciation, et comme la nature de ces sortes de marchandises peut être connue par leurs marques et étiquettes, l'examen et la vérification de quelques pièces d'entre elles, choisies au hasard, suffiront pour l'accomplissement des formalités Douanières. Dans le cas où il serait nécessaire d'ouvrir et de percer, en vue de leur vérification, de colis en plus de la proportion de 1 pour cent et pour fractions de cent, ces pièces qui seraient ainsi ouvertes en plus devront être acceptées pour le paiement en nature du droit de douane.

Art. 6. Comme il est nécessaire d'assurer la prompte exécution des formalités concernant les colis postaux et leur livraison immédiate à la demande des destinataires, l'Administration des Contributions Indirectes, vu l'exiguïté des locaux actuels, trouvera un autre emplacement d'une étendue convenable pour la section des colis postaux et procédera à l'agrandissement de la section établie au Bureau Central des postes à Constantinople.

Pour accélérer les formalités des colis postaux, l'Administration Générale des Contributions Indirectes élaborera des instructions détaillées et les communiquera à

qui de droit pour être mises en vigueur. Ces instructions devront tenir exactement compte des points suivants : réception des colis postaux et livraison de ces colis aux destinataires à des heures différentes ; fixation et publication par les journaux des heures pendant lesquelles les propriétaires pourront s'adresser aux sections des colis postaux ; refus de tout recours des destinataires en dehors des heures fixées, ainsi que défense aux employés douaniers de s'occuper d'autres formalités pendant ces heures ; défense aux destinataires d'entrer au dépôt et de s'adresser directement au préposé ; distribution d'un numéro d'ordre aux destinataires de colis quand ils se présenteront à la section, muni de leurs ordres de livraison et après annotation de ce même numéro sur l'ordre de livraison, et traduction immédiate par l'employé des manifestes de l'ordre de livraison, dans le cas où celui-ci serait rédigé en langue étrangère, ce document étant donné à l'employé du dépôt ; appel du propriétaire par son numéro d'ordre lors de l'arrivée du colis au lieu de vérification ; vérification des marchandises par le vérificateur accompagné de l'estimateur et en présence du propriétaire ; en registrement en une seule partie des articles d'une même nature et d'une même valeur, et, en différentes parties, des articles de diverses espèces, et en même temps évaluation de leur valeur par l'estimateur ; approbation ou modification immédiate de l'évaluation par le Directeur de la section, celui-ci ne pouvant s'occuper d'autres affaires pendant la distribution des colis et devant contrôler le service des vérificateurs et des estimateurs ; livraison de la marchandise au propriétaire après perception du droit de douane en espèces ou en nature et contre sa signature mise sur le registre du vérificateur ; suppression du bulletin de sortie, attendu que les colis ne peuvent être délivrés avant l'achèvement de ces formalités ; livraison immédiate des objets sans valeur, ceux-ci n'étant soumis à aucune autre formalité que celle d'une simple vérification ; fixation des formalités, nécessaires pour assurer la perception des droits de douane des colis destinés à être expédiés dans l'intérieur de l'Empire et, enfin, prompte exécution de toutes les formalités tout en sauvegardant les intérêts de la Douane.

Art. 7. Les échantillons de marchandises seront soumis au traitement douanier, conformément aux prescriptions des instructions ci-annexées.

Art. 8. Lors des formalités d'estimation, les estimateurs, les Nazirs et les Bach-Kiatibs, sans prendre en considération si le paiement des droits sera effectué en nature ou en espèces, devront porter toute leur attention à l'estimation de la valeur réelle des marchandises. Il ne sera porté aucune modification à cette estimation, après que le négociant l'aura, par un engagement signé, accepté ou aura déclaré qu'il payera le droit en nature. Mais une fois que le négociant aura accepté l'estimation pour le règlement des droits en espèces, il ne pourra plus changer d'avis ni payer les dits droits en nature.

Art. 9. Les négociants pourront, sans paiement de droits de douane, déposer dans les dépôts à double clef se trouvant sous la surveillance permanente des directions douanières, les charbons de terre étrangers apportés en Turquie. Les charbons pris dans ces dépôts et livrés à la consommation locale ou bien destinés à l'usage des bateaux faisant le petit cabotage exclusivement dans les eaux intérieures Ottomanes payeront le droit d'entrée.

Les bateaux dont le lieu de départ ou celui de destination ou dont le lieu de départ aussi bien que celui de destination se trouvent en pays étranger ; les paquebots postaux desservant les ports Ottomans et transportant gratuitement les valises postales Ottomanes ; les bâtiments de guerre étrangers et tous les bateaux desservant les ports Ottomans qui naviguent en dehors des eaux intérieures et qui transportent gratuitement les valises postales Ottomanes, ne seront soumis au paiement d'aucun droit de douane pour les charbons pris dans les dits dépôts. Sous aucun prétexte et pour quelque motif que ce soit, les droits de douane perçus sur les charbons de terre qui, n'étant pas placés dans les dépôts à double clef, sont livrés à la consommation locale, ne seront restitués ni en totalité ni en partie.

Art. 10. Lorsque, pour des articles tels que outils ou instruments de fabrication étrangère et autres marchandises dont le prix ne peut être vérifié sur le marché local ou dont l'évaluation serait difficile par suite de leur trop grande diversité, on se trouvera dans la nécessité de recourir aux factures originales en vue de leur estimation les prix indiqués dans ces factures seront calculés au cours sur place des monnaies étrangères et à raison de 19 piastres le medjidié. Ces prix seront majorés de 15 pour cent à titre de frais d'emballage, de nolis d'assurance et autres ou de 10 pour cent seulement si le nolis se trouve compris dans la facture et les droits de douane seront perçus sur la somme ainsi obtenue avec la réduction réglementaire de 10 pour cent.

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Shri Brihad Bhartiya Samaj
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Annexe V.

LES objets qui seraient apportés par les commis-voyageurs des fabriques Européennes non dans un but de commerce, mais bien pour servir d'échantillon, seront considérés comme articles de transit s'ils sont réexpédiés, en tout ou en partie, dans l'espace de six mois, à leurs lieux de provenance ou exportés pour un autre pays étranger. Dans ce cas, les droits perçus à leur entrée seront restitués.

Cette formalité sera accomplie non pas à la première douane d'importation, comme cela se pratique pour les marchandises de transit, mais bien à la dernière douane d'exportation.

Afin que les propriétaires de ces articles puissent bénéficier de ce traitement, ils devront se conformer, à l'entrée et à la sortie des dites marchandises, aux instructions suivantes :—

1. Le commis-voyageur n'aura le droit d'importer qu'un seul échantillon de chaque espèce d'objets en remettant à la Douane deux exemplaires des feuillets de déclaration à souche, qui seront spécialement imprimés et délivrés à cet effet par les Douanes. Ces feuillets, libellés en langue Turque et avec une encre indélibile, devront être dûment signés par les intéressés et spécifier la qualité et la quantité des échantillons, ainsi que le nombre des colis, avec leurs marques, numéros et autres objets y contenus. Après avoir confronté ces feuillets de déclaration, la Douane accomplira les formalités nécessaires et procédera à leur légalisation. L'un de ces actes restera à la Douane et l'autre sera remis au propriétaire des échantillons. Ils seront revêtus du grand sceau de la Direction de la Douane, ainsi que des cachet sde employés responsables.

2. Les dits feuillets de déclaration, après vérification de leur exactitude, seront enregistrés dans les livres spéciaux pour les échantillons qui devront être tenus par les Douanes en plus de ceux relatifs aux visites douanières. Après estimation en détail de ces articles, les droits y afférents seront perçus, et il sera délivré au propriétaire un reçu indiquant le numéro et la date des déclarations. Ces échantillons ne seront livrés par la Douane qu'après avoir été plombés séparément ou ensemble, suivant qu'ils pourraient être classifiés et réunis ou non.

S'il s'agit d'articles se composant de pièces multiple, comme les machines à coudre, c'est sur la pièce essentielle de l'article que le plomb sera apposé.

3. Pour chaque plombage, il sera perçu un droit de 10 paras; toutefois, il ne sera exigé aucun droit de ce chef dans le cas où le plomb serait fourni par l'intèressé.

4. Dans le cas où le commis-voyageur qui aurait déjà accompli ces formalités se rendrait dans une autre localité de l'Empire durant les six mois plus haut indiqués, il devra produire à la Douane son feuillet de déclaration, ainsi que le récépissé à lui délivré par la première Douane d'importation.

La Douane aura à vérifier l'exactitude de la déclaration et à examiner les plombs, et si elle n'y voit aucune irrégularité, elle devra autoriser la remise de la marchandise. Les marchandises ne figurant point sur la déclaration ou n'étant pas plombées seront naturellement soumises au paiement des droits y afférents.

5. A l'arrivée à une douane quelconque de l'Empire de marchandises destinées à être réexpédiées à leur lieu de provenance ou à un autre pays étranger avant l'expiration dudit délai de six mois, l'intéressé doit exhiber à cette Douane la déclaration et le récépissé dont il est porteur. Après vérification du contenu des feuillets de déclaration, la Douane devra restituer à l'intéressé le montant des droits afférents aux articles à réexpédier en faisant les annotations nécessaires à ce sujet sur le verso des récépissés et en portant la contrevaleur dans les registres au chapitre des dépenses. Ces récépissés et feuillets de déclaration seront retenus et envoyés à l'Administration Générale des Contributions Indirectes pour l'accomplissement des formalités requises en ce qui concerne les Douanes qui les ont délivrés.

6. Si les dates des déclarations et des récépissés sont grattées ou changées, les droits afférents à la totalité des marchandises mentionnées dans les déclarations ainsi falsifiées ne seront point restituées. Toutefois, si des inexactitudes sont relevées dans les inscriptions touchant les chiffres ou quantités des marchandises, la Douane n'aura à en retenir que la différence.

7. Les échantillons sans valeur ou impropres à être employés isolément seront, conformément à la Circulaire en date du 14 Janvier, 1321, exemptés de tous droits et dispensés de toutes formalités de dépôt, tout en bénéficiant des facilités nécessaires.

Ces instructions ne sont point applicables aux articles de bijouterie ou objets d'or et d'argent qui sont soumis à un tarif spécial ni aux échantillons arrivant des provinces privilégiées à destination de l'étranger et *vice versâ*.